Citizenship and Immigration Canada
Citoyenneté et Immigration Canada

Evaluation of the Federal Business Immigration Program

Evaluation Division

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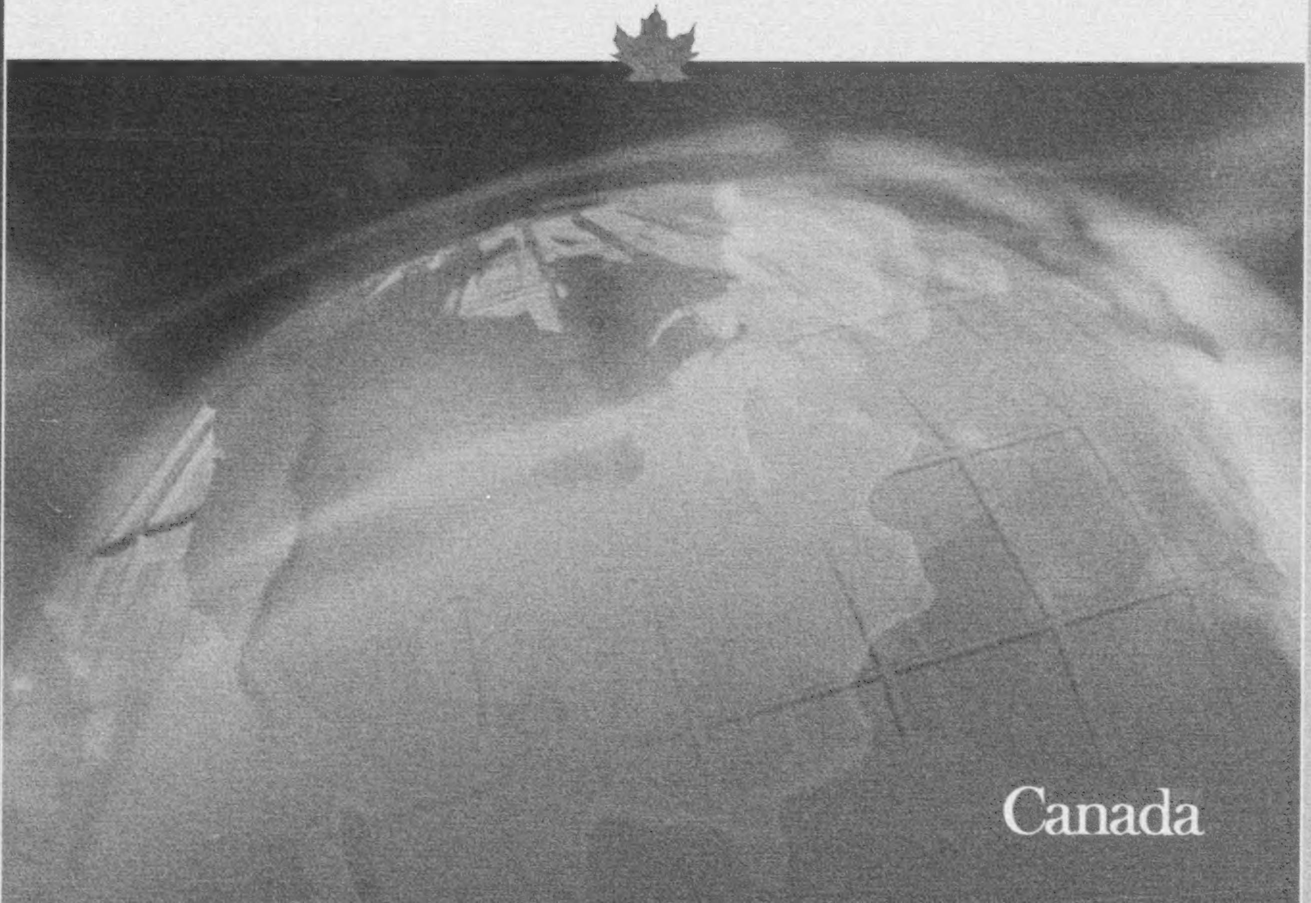

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Acronyms

BI	Business Immigrant (this refers to immigrants admitted under the Business Immigration Program)
BIP	Business Immigration Program
CIC	Citizenship and Immigration Canada
CAIPS	Computer-Assisted Immigration Processing System
CBO	Canada-Based Officer
CBSA	Canada Border Services Agency
CEEDD	Canadian Employer-Employee Dynamics Database
CSQ	*Certificat de Sélection du Québec*
CSIS	Canadian Security Intelligence Service
CVOA	Canadian Visa Offices Abroad
DG	Director General
DIO	Designated Immigration Officer
DOJ	Department of Justice
EI	Employment Insurance
EMIS	Entrepreneurship Monitoring Information System
EN	Entrepreneur Immigrants (this refers to immigrants admitted under the Entrepreneur class)
EP	Entrepreneur Program
F/P/T	Federal/Provincial/Territorial
FOSS	Field Operations Support System
FSW	Federal Skilled Worker
FSWP	Federal Skilled Worker Program
FTE	Full-Time Equivalent
GoC	Government of Canada
GCMS	Global Case Management System
IIP	Immigrant Investor Program
IMDB	Longitudinal Immigrant Database
IMIS	Investment Monitoring Information System
IN	Investor Immigrants (this refers to immigrants admitted under the Investor Immigrant class)
IPM	Immigration Program Manager
IR	International Region
IRPA	*Immigration and Refugee Protection Act*
IRPR	*Immigration and Refugee Protection Regulations*
KII	Key Informant Interview
NHQ	National Headquarters
OB	Operational Bulletin
OMC	Operational Management and Coordination Branch
OP	Overseas Processing (Manual)
PA	Principal Applicant
PN	Provincial Nominee
PNP	Provincial Nominee Program
PR	Permanent Resident
P/T	Provincial/Territorial
P/Ts	Provinces and Territories
QA	Quality Assurance
QBIP	Quebec Business Immigration Program
QC	Quality Control
SE	Self-Employed Immigrants (this includes immigrants admitted under the Self-Employed Person class)
SME	Small and Medium Enterprises
Ts&Cs	Terms and Conditions

Executive summary

Purpose of the Evaluation

This report presents the findings of the evaluation of the federal Business Immigration Program (BIP), including its three classes: the Entrepreneur (EN) class, the Self-employed persons (SE) class and the Investor (IN) class. The evaluation was conducted from January to December 2013, in fulfilment of requirements under Section 42.1 of the *Financial Administration Act* and the 2009 *Treasury Board Policy on Evaluation*.

Program Profile

The BIP is one of seven federal economic immigration classes and is included under CIC's Strategic Objective 1: Migration of permanent and temporary residents that strengthen Canada's economy. It includes three classes: the Entrepreneur (EN) class, the Self-employed persons (SE) class and the Investor (IN) class.

The expected program outcomes are to select and admit business immigrants (BIs) who would be able to economically establish themselves in Canada, to create additional job opportunities for all Canadians through business start-ups and additional provincial investment in economic development, and to share the benefits of expanded economic development activities across Canada.

The BIP consists of three classes:

Entrepreneur (EN) Class: The objective of the EN class is to attract experienced business persons who will own and actively manage businesses in Canada that contribute to the economy and create jobs.

Self-employed persons (SE) Class: The objective of the SE class is to attract self-employed persons who have the intention and ability to create their own employment in Canada. They are expected to make a significant contribution to specified economic activities in Canada (that is, the cultural or athletic life of Canada, or intend to purchase and manage a farm in Canada).

Investor (IN) Class: The objective of the IN class is to attract experienced business persons and capital to Canada. To be eligible for immigration as an investor, the applicant must have business experience, a minimum personal net worth, and make a one-time investment into the Canadian economy, which is redistributed to participating provinces and territories for economic development.

The program resulted in 12,402 principal applicants being admitted to Canada under the BIP between 2007 and 2011, an annual average of 2,480 principal applicants. Over this time period, 12.6% of federal BIs were admitted under the EN class, 5.3% under the SE class, and 82.1% under the IN class. Annual federal costs for the BIP ranged from $10.85M to $17.67M per fiscal year during the time period under review (2007 to 2011), with an annual average of $13.55M.

[In early 2014, the Federal Government announced significant changes to the BIP - the termination of the federal immigrant investor and entrepreneur programs and the elimination of their associated backlogs of applications.]

Methodology

The scope of the evaluation covered BIP program delivery from 2007 to 2011. The evaluation examined the relevance, performance (effectiveness, design and delivery), efficiency and economy of the Business Immigration Program in accordance with the Treasury Board *Policy on Evaluation* and *Directive.*

This evaluation included six lines of evidence, including both qualitative and quantitative methods, drawing from primary and secondary data sources:

- A literature and document review;
- Key informant interviews with CIC (NHQ, Regions), Provincial/Territorial representatives, financial institution facilitators, immigration advisors, and other country representatives;
- Case study visits to visa offices in Hong Kong, London and Paris;
- A telephone survey conducted with BIP immigrants admitted to Canada between 2007 and 2011;
- Analysis of program administrative data; and
- A financial and cost-effectiveness analysis.

Limitations and Considerations

Although the evaluation contained a balance of qualitative and quantitative lines of evidence, there were four notable limitations that should be considered when reading this report. Mitigation strategies were used to address the limitations and, along with the triangulation of multiple lines of evidence, were considered sufficient to ensure evaluation findings can be used with confidence.

- **Gaps in literature and document review**: Although CIC has a good collection of documentation on the BIP, there is a lack of academic literature focused on the economic activities of BIs; rather, the available literature examines more generally the self-employment activities of immigrants, with no distinction made about the class under which they were admitted to Canada.

- **Representativeness of survey respondents**: The survey sample obtained through the informed consent process differed from the total BI population admitted between 2007 and 2011, with ENs being over-represented and INs being under-represented. Additionally, there was an under-representation in the survey sample of respondents from Asia. However, the survey results were weighted to address these imbalances identified in order to ensure that the survey results were representative of the total BIP population. It is also possible that the results of telephone survey of BIs could have been positively skewed by those respondents more compliant with the terms and conditions of the EN program.

- **A gap in administrative data**: The evaluation was not able to use information from the Entrepreneurship Monitoring Information System (EMIS) and the Investment Monitoring Information System (IMIS) to assess the economic activities and compliance of BIs due to a high rate of missing values in the system.

- **Definition and interpretation on economic performance**: Economic establishment and performance are concepts difficult to define. Once defined their operationalization and interpretation also poses challenges. Given the nature of the business activities that BIs are likely to undertake in Canada and of the Canadian tax system (such as deductions that can be obtained), the extent of BIs economic performance is difficult to fully assess.

- **Gaps in financial data**: In CIC's Cost Management Model (CMM), federal and Quebec business immigrant financial data are captured in the aggregate form. This limited the Evaluation's analysis to an examination of annual costs that included both Quebec and federal BIP. Additionally, the scope of the financial information available was limited due to the absence of data in the CIC's CMM for the 2008/09 fiscal year.

Expected outcomes

This evaluation assesses the extent to which immediate and intermediate outcomes of the program have been achieved.

The first immediate outcome of the BIP is to have a selection process that is consistent, objective, and efficient. Second, the admission of entrepreneur immigrants is expected to contribute to new business start-ups, job creation and job retention in accordance with the conditions for this economic class. Thirdly, investors' funds are expected to generate additional provincial investment in economic development.

The following intermediate outcomes are anticipated to occur in the longer-term as a result of the three above-mentioned immediate outcomes:

- Selected and admitted BI class immigrants are economically established in Canada
- Additional job opportunities for all Canadians
- Benefits of expanded economic development activities are shared across Canada

Ultimately, the BIP is intended to contribute to the migration of permanent residents that strengthens Canada's economy.

Evaluation Findings

Relevance

- Based on the documents reviewed and the key informant interviews, the evaluation found that there is a continuing need to facilitate the migration of business immigrants to Canada in order to contribute directly to the creation of jobs and businesses in Canada. The majority of key informants felt that Canada needs a program like the BIP; however, some were critical of the ability of the BIP, as it was designed, to achieve its objectives.

- As an economic immigration class, the BIP is broadly aligned with GoC and CIC objectives with respect to strengthening the Canadian economy. However, the BIP had become less aligned over time with current CIC and GoC priorities emphasizing innovation.

- The BIP is aligned with roles and responsibilities outlined for the Federal government in federal legislation. The majority of key informants felt that the federal lead on business immigration was appropriate, and some noted that there was also a role for P/Ts to play, through PNPs, for example.

Management outcomes

- CIC successfully managed the number of BIs accepted into Canada within the upper and lower levels target for three of the five years under review. However, in the face of the high number of applications and a low immigration level allocation, CIC did not succeed in managing the intake of BIP applications and preventing a large inventory from building up.
- From a client service perspective, BIP applications took longer to process compared to FSWP and PNP, from the time of application to a final decision. Entrepreneur and self-employed persons applications took significantly longer to process than investor, FSW and PNP files.
- Program delivery coordination across the business program was generally effective. In particular, coordination between NHQ and CVOA and within any given CVOA was rated very highly by key informants.
- BIP met immigration levels target with a high degree of objectivity and consistency in application processing. BIP selection criteria were found to be objective while still allowing for some flexibility. While there is a high level of consistency in the processing of BIP applications within CVOA, processing practices vary somewhat between CVOA due to country-specific differences and operational realities.
- During the time period under review, limited monitoring was conducted by CIC on entrepreneur terms and conditions. Reasons for this mentioned by CIC key informants were that monitoring was time-consuming and costly, that terms and conditions were difficult to enforce and that limited training was provided on how to monitor ENs. As a result there was insufficient data for CIC to assess whether entrepreneurs' terms and conditions were met.

Program Outcomes

Economic outcomes

As one of the expected outcomes of the BIP is for business immigrants to become economically established in Canada, the expectation is not only for them to be self-sufficient, but also that they contribute, as other economic class immigrants, to the Canadian labour market and economy. As such, this evaluation assessed more broadly the economic performance of BIs in Canada and their economic activities undertaken in the country.

However, the economic performance of BIs is difficult to evaluate. The evaluation used a multi-faceted approach to understand the economic performance of BIs that provides a conservative estimate of their performance in Canada.

The evaluation not only considered the incidence of social assistance among BIs, but also included indicators on self-employment and investment activities undertaken in Canada, other income obtained in Canada (such as employment income), taxable income (and taxes paid), as well as the composition of income by different sources to assess the extent to which BIs are becoming economically established in Canada.

- When considering together the indicators of self-employment income, investment activities, employment income, taxable income (and taxes paid), and social assistance reliance, business immigrants demonstrated some level of economic establishment in Canada. However, their economic performance and extent to which BIs had economically established is low compared to other economic classes considered (FSWs and PNs).

- BIs admitted between 2007 and 2011 established businesses and created jobs in Canada through the EN class (for which this is a requirement to maintain permanent residence). Additional businesses and jobs were created through the IN and SE classes, although to a lesser degree. These businesses were related mainly to real estate and rental leasing and the sales and service industry (retail and wholesale trade).
- IIP investment funds allowed for limited investments in economic development; about 30% of the funds were actively invested by P/Ts.
- In addition to the IIP funds provided to P/Ts for economic development through the investor stream, many BIs have undertaken additional investment activities in Canada.
- As expected, BIs have lower incidence of employment income and declare on average lower amounts than their FSW and PN counterparts.
- BIs declare considerably lower personal taxable income[1] than FSWs and PNs, and as such paid substantially less personal income taxes.
- BIs have low incidence of declaring EI and SA benefits and their rates are lower than for FSWs and PNs.
- Most BIs have incomes from one or more sources, and many have self-employment or investment as their main type of income.

Interprovincial mobility and out-migration

- The majority of federally selected BIs reside in their province of intended destination, with little interprovincial mobility occurring. In terms of out-migration, INs have the highest out-migration rates after 10 years in the country among economic immigrants considered, but similar out-migration rates to FSWs and other BI classes in the first five years following admission to Canada.
- Investment funds are not distributed equitably across Canada. Among the federal funds[2], Ontario and British Columbia receive the highest share. Ontario and British Columbia are also benefitting the most from the economic activities BIs engage in (such as business and job creation) as most of the BIs settle in those provinces.

Unintended impacts

- In terms of unexpected results, there were two main program issues identified by interviewees and supported by the IMDB analysis, which related to residency: BI principal applicants not residing in Canada, and BIs selected by Quebec settling in other P/Ts in high numbers. Although this last issue is not about the federal BIP per se, it has impacts on the federal program. The first is on the levels allocation available for federal BIs. As Quebec is taking up a large share in the levels allocated to business immigration, the federal program is limited in the number of business immigrants it can admit in order to keep within the levels set by parliament. This subsequently has an impact on the federal IIP funds available to participating P/Ts, resulting from the number of federal BIP admissions.

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[1] For more information on the definition of the different economic concepts used in this evaluation, see Appendix E.

[2] The amount of investment funds available from the federal IIP for distribution to the provinces is a direct function of the number of investor immigrants admitted under the federal program; investments made by investors under the Quebec program go directly to Quebec. The formula for distribution of the federal investment funds to the provinces is not related to the numbers of investors destined for each province. The formula includes two criteria: (1) one half of the federal IIP funds are divided equally among the participating provinces/territories, and (2) the other 50% is distributed based on the proportion of total GDP in each province/territory. The structure of this formula helps to ensure that smaller provinces/territories receive a somewhat larger amount of the federal IIP funds than would occur based on single demographic or economic criteria.

Efficiency and economy

- During the time period considered, and based on CIC cost-management data[3], the average cost to process a BIP application was $2,654, which was 2.5 times the average cost for FSW and PNP. As such, the FSW program and the PNP are considerably less costly than BIP, as BIP applications are more complicated and take longer to assess. Cost per application, however, varied for the different classes under the BIP.
- Through interviews and the document review, a variety of alternative approaches to program delivery were identified as ways to potentially improve efficiency and economy, including changes to the language requirements, business experience, investment capital and third party involvement.

Conclusions and Recommendations

Based on the evaluation evidence and findings presented in this report, the following recommendation is put forward.

Given the current context where the GoC announced in early 2014 its intention to terminate the federal entrepreneur and investor programs, and that the findings indicate that the program could benefit from major adjustments, CIC should seize the opportunity, building from the evaluation's lessons learned, to inform the design and implementation of new federal business immigration programming. The following recommendation should be considered in the design and implementation of any program on business immigration (including the Start-Up Visa Pilot, any future investor pilot or any review of the current SE class).

> ***Recommendation**: In future business immigration program design and implementation, CIC should consider the following, as applicable, with a view to ensuring improved monitoring and reporting and increasing economic benefits:*
>
> - Developing a strategy to maximize the benefits of business immigrant investments for Canada (related both to the investment required as well as to how the funds are used);
> - Using a phased approach to permanent residence;
> - Leveraging third-party expertise in the assessment and validation of some aspects of applications;
> - Improving the management of BI application intake to prevent the creation of an inventory; and
> - Ensuring appropriate data is available to support performance measurement strategies.

These recommendation components are elaborated in Section 7.4.

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[3] All program costs included in this report include costs related to both the federal and Quebec immigration programs.

Evaluation of the Federal Business Immigration Program - Management Response Action Plan

In light of the current context, where two of the three classes under BIP will be terminated and replaced with new pilot programs, CIC should consider the following to improve program design and implementation in order to ensure better program monitoring with the view of increasing impact:

- Maximizing the benefits of investments for Canada;
- Using a phased approach to permanent residence;
- Leveraging third party expertise;
- Improving the management of application intake; and
- Collecting appropriate data to support performance measurement strategies

Recommendations	Response	Action	Accountability	Completion date
Component #1 -Maximize benefits of investments for Canada: CIC should develop a strategy to maximize the benefits generated by the investment funds, related both to the investment required as well as to how the funds are used.	CIC agrees that investment capital raised from its investor programming should be used to obtain maximum benefit for Canada and that the amount of the investment could have been set significantly higher than it has been in the past. CIC has announced its intention to terminate the existing Immigrant Investor Program (IIP).	In 2015 CIC is planning to introduce a pilot program expected to generate at-risk investments to fill an important financing gap in the Canadian economy. The parameters of the pilot are still under consideration. CIC will consider the recommendation in the design of business immigration programs. The pilot program will incorporate a Performance Measurement Strategy (PMS) that will allow for the assessment of how the funds are used in the Canadian economy in due course.	Immigration Branch and Industry Canada Immigration Branch/Research and Evaluation Branch	Q4 2014-15 Q3 2014-15
Component #2 - Phased approach to permanent residence: CIC should consider using a two-phase approach where candidates would be required to first reside in Canada on a temporary basis and demonstrate meeting the programs' requirements prior being eligible to apply for permanent residence.	CIC generally agrees that if there is an action expected of a class of immigrants post arrival - for example, the establishment and active management of a business in Canada - a phased approach to permanent residence (PR) for that class may be warranted. In addition, it is recognized that such a model may work to ensure prospective immigrants have a firm commitment to residing in Canada prior to being granted entry as PRs. Evaluation results and program review of the EN program have led CIC to move away from a program model that awards up-front PR with post-arrival conditions to avoid the risk of conferring an important benefit like Canadian permanent residence in cases where businesses have not been established as required.	CIC has and will continue to consider this recommendation in the design of business immigration programs. CIC will support PTs wishing to adopt a phased approach to PR under the PNP business streams where an action is required of the immigrant post arrival.	Immigration Branch	To be completed as new programs are developed.

Recommendations	Response	Action	Accountability	Completion date
	PTs PNP business streams allow them to recruit ENs suited to regional/local needs. Provincial evaluations point to increased program outcomes under their business streams in those jurisdictions that have a phased approach to PR. Under an Immigrant Investor Venture Capital (IIVC) pilot, a phased approach to PR for the new immigrant investor pilot program would not be feasible given that the investor will not be obligated to fulfil requirements outside of the initial investment. Under the Start-Up Visa program, an applicant must have first received a commitment of support from a designated Canadian business incubator, angel investor group or venture capital fund before they can apply to CIC for permanent residence. Given this context, it was determined that a phased approach to PR would not be feasible for the Start-Up Visa Program. With the Self-Employed program, there are no expectations post-arrival that would warrant a phased approach to PR. It is understood that the majority of SE applicants work in their declared field, which is very specific and which they must demonstrate at the time of application. If future changes are considered to the SE program, this recommendation will again be considered.			
Component #3 - Leverage third party expertise: CIC should consider leveraging third party expertise in the assessment and validation of some aspects of applications.	CIC agrees that to improve the efficiency and reliability of the application process in areas outside the expertise of CIC (such as assessing the value and source of an applicant's wealth) third party expertise should be leveraged.	CIC will explore how the services of a designated third party could be used in future business immigration programming to provide an independent assessment of the value and source of the applicant's wealth.	Immigration Branch/Operational Management and Coordination Branch	Q4 2014-15
Component #4 - Manage application intake: CIC should develop a strategy to improve the management of BI application intake.	CIC agrees with this recommendation, which is why it obtained the ability to cap intake with Ministerial Instructions (MI), which were employed to cap intake of EN and IIP applications in 2011 and 2012.	CIC will also consider using Ministerial Instructions authorities to implement intake limits of less than the maximum possible of 2,750 in new business immigration programs, to keep the number of applications received in line with available space in the Annual Immigration Levels Plan.	Immigration Branch and members of the Ministerial Instructions working group	Q4 2014-15

Recommendations	Response	Action	Accountability	Completion date
		Intake of applications under the Start-Up Visa and Self-Employed Programs will be monitored on an ongoing basis to determine if intake controls are necessary.		Q4 2014-15
Component #5 - Collect appropriate data to support performance measurement strategies: CIC should ensure appropriate data is available to support performance measurement strategies.	These types of pilot programs automatically sunset after five years if they are not made permanent and written into regulations. A PMS was developed for the Start-Up Visa program, and implementation has begun. For the IIVC pilot (and business skills pilot if applicable), a performance measurement strategy (PMS) will be developed in order to facilitate the decision as to whether the pilot programs should be made permanent.	The immigrant investor pilot and any other business related pilot program will incorporate a PMS, which will be presented to the Performance Measurement Steering Committee (PMSC) for endorsement, and to ensure data collection procedures are in place. The immigrant investor pilot program will be assessed according to the PMS within three years of launch against its short and medium term objectives. The Start-Up Visa pilot program incorporates a PMS that allows for the program to be assessed three years from initial launch. CIC has begun implementing the Performance Measurement Strategy, with the support of program partners, by collecting qualitative and quantitative data.	Immigration Branch/Research and Evaluation Branch / Operations Performance Management Branch	Q3 2014-15 Q1, 2018-19 Q2, 2016-17

1. Introduction

1.1. Purpose of the Evaluation

This report presents the findings of the evaluation of the federal Business Immigration Program (BIP)[4], including its three classes: the Entrepreneur (EN) class, the Self-employed persons (SE) class and the Investor (IN) class. The evaluation was conducted from January to December 2013, in fulfilment of requirements under Section 42.1 of the *Financial Administration Act* and the 2009 Treasury Board *Policy on Evaluation*. The evaluation examined the relevance, performance (effectiveness, design and delivery), efficiency and economy of the Business Immigration Program in accordance with the Treasury Board *Policy on Evaluation* Directive.

The evaluation report is organized into seven main sections:

- Section 1 presents the purpose of the evaluation and a program profile;
- Section 2 presents the methodology for the evaluation and discusses limitations;
- Section 3 presents the findings on relevance;
- Section 4 presents the findings related to management outcomes;
- Section 5 presents the findings about the program performance;
- Section 6 presents the findings on efficiency and economy; and
- Section 7 presents the conclusions and recommendations.

1.2. Program Profile

This sub-section provides an overview of the BIP, including: the program objectives; governance; beneficiaries; numbers of BIP admissions; characteristics of BIP immigrants; and, BIP costs from 2006/07 to 2011/12.

1.2.1. Program description and objectives

The BIP is one of seven federal economic immigration classes[5] and is included under CIC's Strategic Objective 1: Migration of permanent and temporary residents that strengthen Canada's economy.[6] It includes three classes: the Entrepreneur (EN) and Self-employed persons (SE) classes, added in 1978, and the Investor (IN) class, added in 1986.

The 2002 *Immigration and Refugee Protection Act (IRPA)* enables the immigration to Canada of business immigrants with the potential to invest in or start businesses in Canada, to become self-employed, or to provide a sizeable investment for provincial/territorial economic development initiatives. Section 12(2) of the *IRPA* states that *a foreign national may be selected as a member of the economic class on the basis of their ability to become economically established in Canada*, and Sections 88 to 109 of the *Immigration and Refugee Protection Regulations* (*IRPR*) set out the selection criteria for foreign nationals under the three classes of the BIP. The BIP Logic Model is presented in Appendix A.

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[4] Throughout the evaluation, the terminology 'Business Immigration Program' (or BIP) is used to refer to the federal component of the program only (excluding Quebec).

[5] The Economic Class includes the Federal Skilled Worker Class, the Quebec Skilled Worker Class, the Provincial Nominee Class, the Canadian Experience Class, the Live–in Caregiver Class, the federal and Quebec Business Immigration Programs (Investor, Entrepreneur and Self–Employed Persons classes). In April 2013, CIC introduced the Start-Up Visa Program under the federal BIP. The Start-Up Visa Program is a pilot program that will run for five years (www.cic.gc.ca/english/immigrate/business/start-up/index.asp).

[6] CIC, *Departmental Performance Report*, for the period ending March 31, 2012, Page 6.

The expected program outcomes are to select and admit BIs who would be able to economically establish themselves in Canada, to create additional job opportunities for all Canadians through business start-ups and additional provincial investment in economic development, and to share the benefits of expanded economic development activities across Canada.

The BIP consist of three classes:

Entrepreneur (EN) Class: The objective of the EN class is to attract experienced business persons who will own and actively manage businesses in Canada that contribute to the economy and create jobs. The EN class was introduced in 1978. To be eligible to immigrate as an entrepreneur, the applicant must have business experience and a minimum personal net worth. Entrepreneurs receive conditional permanent residency and must satisfy post-arrival conditions to maintain their permanent resident (PR) status (Table 1.1). During the evaluation period (from 2007 to 2011), CIC monitored the entrepreneurs for three years after they became a PR to ensure that post-arrival Terms and Conditions (Ts&Cs) were met. CIC stopped accepting applications for the EN class on July 1, 2011.

Self-employed persons (SE) Class: The objective of the SE class is to attract self-employed persons who have the intention and ability to create their own employment in Canada. The SE class was introduced in 1978. To be eligible for immigration as a self-employed person, an applicant must have at least two years of one of the following types of experience: self-employment or participation at a world-class level in cultural activities; self-employment or participation at a world-class level in athletics; or farm management experience (Table 1.1). They are expected to make a significant contribution to specified economic activities in Canada (that is, the cultural or athletic life of Canada, or intend to be self-employed in farm management in Canada). The SE class is not subject to conditions after arrival and is not monitored in Canada.

Investor (IN) Class: The objective of the IN class is to attract experienced business persons and capital to Canada. The IN class was introduced in 1986 and redesigned through regulatory changes on April 1, 1999 into the current program model. To be eligible for immigration as an investor, the applicant must have business experience, a minimum personal net worth, and make a one-time investment into the Canadian economy (Table 1.1). The INs investment is paid to the Government of Canada and redistributed to participating provinces and territories for economic development.[7] The *IRPR* state that the Immigrant Investor Program (IIP) funds should use monies received for the purpose of creating or continuing employment in Canada to foster the development of a strong and viable economy. The INs investment is fully-repayable without interest after five years. There are no specific business expectations for INs post admission and they are not monitored once in Canada.

The IN class was amended on December 1, 2010 when the required investment and personal net worth amounts were doubled, to $800,000 and $1.6 million respectively. On July 1, 2011 CIC imposed an annual cap of seven hundred new applications as a means of managing the inventory of applications in progress.[8] As of July 1, 2012, CIC stopped accepting applications for the federal IN class to focus on processing applications already received while the program is reviewed.

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[7] Participating provinces and territories are: Nova Scotia, Prince Edward Island, New Brunswick, Newfoundland and Labrador, Ontario, Manitoba, Saskatchewan, British Columbia and the Northwest Territories.

[8] As of February 4, 2014, CIC had an inventory of 24,967 federal BIP cases, representing 82,832 persons.

March 2014 update: Although the period covered by the evaluation was 2007-2011, significant program changes occurred while it was being conducted. These changes were not considered as part of the data collection. The *Economic Action Plan* 2014 announced on February 11, 2014 the termination of the federal immigrant investor and entrepreneur programs and the elimination of their associated backlogs of applications. Entrepreneurs will still be able to apply for immigration to Canada through the *Start-Up Visa* pilot program. Another pilot will also be introduced to test a new approach to recruiting Immigrant Investors. Data collection was completed prior to the announcement to terminate the programs and the reporting phase for the evaluation was well under way.

BIP eligibility and selection criteria

The eligibility and selection criteria for the three classes of the BIP are defined in Sections 88 to 109 of the *IRPA* and are summarized in Table 1.1.

Applicants who meet eligibility criteria are assessed on and allocated points for: (i) previous business experience for entrepreneurs and investors or previous participation / experience in cultural, athletics or farm management for self-employed persons; (ii) education; (iii) official language proficiency; (iv) age; and (v) adaptability. The minimum requirement is a score of 35 out of 100 points, as established on June 28th, 2002.

The Minister of Citizenship, Immigration and Multiculturalism may amend the points required to reflect changes in government policy, the Canadian labour market, the broader economy and society in general. Adjustments may also take place in response to operational needs.

Table 1.1: Summary of criteria for BIP classes

	Business Immigration Program (BIP)		
Eligibility & Selection Criteria	Entrepreneur (EN) Class	Self-Employed Persons (SE) Class	Investor (IN) Class
Previous Experience	Previous business experience: min. 2 years in 5 years before application; managed & control a portion of equity in qualifying business.	Relevant experience, previous participation or self-employment in athletics or cultural activities or experience in farm management for minimum of 2 years in 5 years before application.	Previous business experience: min. 2 years in 5 years before application; managed & control a portion of equity in qualifying business OR managed at least 5 Employees or FTEs per year in a business.
Minimum Personal Net Worth	$300,000 (Legally obtained)	None	$1,600,000 * (Legally obtained)
Minimum Investment in Canada	None	None	$800,000* (One-time, refundable without interest)
Post-arrival Intentions & Ability	Intend to own and actively manage a business in Canada that contributes to economy and create jobs.	Intend to create their own employment in athletics or culture or plan to purchase & manage a farm	None

Eligibility & Selection Criteria	Business Immigration Program (BIP) Entrepreneur (EN) Class	 Self-Employed Persons (SE) Class	 Investor (IN) Class
Selection Criteria (points) ▪ Experience (business for EN and IN or self-employment for SE) (35 points); ▪ Education (25 points); ▪ Official languages (24 points); ▪ Age (10 points) ▪ Adaptability (6 points)	Minimum of 35 points (out of 100) on selection grid	Minimum of 35 points (out of 100) on selection grid	Minimum of 35 points (out of 100) on selection grid
Admissibility Requirements Medical, Criminality, Security	Yes	Yes	Yes
Visa Status	Conditional Permanent Residency	Permanent Residency	Permanent Residency
Conditions after arrival in Canada (Ts&Cs)	For at least 1 year in 3 years after becoming a PR must: (i) Control at least 1/3 of equity in a qualifying Canadian business (ii) Actively manage the business (iii) Create at least 1 additional job (FTE) in the business for a Canadian citizen or PR (other than the EN or a family member)	None	None
Monitored by CIC up to removal of conditions from visas or to initiate enforcement activities	Yes, until 2012, ENs were to be monitored for 3 years after their arrival.	N/A	N/A

* These amounts are for IN class applicants applying after December 1, 2010. For applicants before December 1, 2010, the amounts were $800,000 in personal net worth and a $400,000 capital investment. Source: CIC Program Documentation.

1.2.2. Governance

The Minister of Citizenship, Immigration and Multiculturalism has legislative and regulatory responsibility for immigration matters.[9] The Minister is also responsible for the approval of provincial funds under the Investor class and has the authority to suspend, lift a suspension or revoke the approval of a provincial fund in accordance with *IRPR*. The Deputy Minister has overall responsibility for departmental management of the BIP.

The Immigration Branch, within the Strategic and Program Policy Sector of CIC, is responsible for policy development and interpretation of the BIP. The Communications Branch is responsible for updating information about the BIP on the Department's website. The Operational Management and Coordination Branch (OMC) is responsible for field guidance and updates to operational manuals for the processing of applications. The International Region (IR) has direct operational responsibility for implementation of BIP regulations.

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[9] CIC's (and the Minister's) mandate comes from the shared jurisdiction of Section 95 of the *Constitution Act, 1867*; the *Citizenship Act*; and the *Immigration and Refugee Protection Act*.

The selection of business immigrants is the responsibility of CIC visa officers stationed around the world. Inland CIC offices were responsible for maintaining contact with ENs and monitoring the fulfillment of conditions attached to their PR status up until 2012, when CIC decided as part of the department's *Strategic Review* to stop the monitoring.

Under the *Canada-Quebec Accord*, Quebec has the authority to select economic class immigrants applying under its programs, including Quebec business immigration programs. The federal government retains responsibility for admissibility assessment. Quebec is responsible for the selection and the provision of settlement services for immigrants settling in Quebec. In addition, Quebec manages the investment funds generated by Quebec selected INs.

1.2.3. Beneficiaries

Beneficiaries of the BIP include foreign nationals who apply for admission to Canada under the three classes, who are expected to become economically established in Canada. The provinces are expected to benefit from the use of the IIP for economic development. Canadians are expected to benefit from the economic results of increased business activity, including job creation.

1.2.4. Numbers of BIP admissions

The number of BIs admitted to Canada each year is based on the annual levels established for the BIP in the Department's *Annual Report to Parliament on Immigration*. Immigration targets are discussed in Section 4 of this Report.

From 2007 to 2011, 12,402 principal applicants (PAs) were admitted to Canada under the BIP, an annual average of 2,480 PAs (Table 1.2). Over this time period, 12.6% of BIs were ENs, 5.3% were SEs and 82.1% were INs.

Table 1.2: Number of BIs admitted by class and year, 2007-2011 (Principal Applicants)

Calendar year	ENs	SEs	INs	BIs - Federal
2007	497 (22.8%)	166 (7.6%)	1,514 (69.5%)	**2,177 (100.0%)**
2008	396 (13.9%)	138 (4.8%)	2,320 (81.3%)	**2,854 (100.0%)**
2009	307 (11.3%)	136 (5.0%)	2,277 (83.7%)	**2,720 (100.0%)**
2010	226 (8.3%)	133 (4.9%)	2,361 (86.8%)	**2,720 (100.0%)**
2011	139 (7.2%)	84 (4.4%)	1,708 (88.5%)	**1,931 (100.0%)**
Totals	**1,565**	**657**	**10,180**	**12,402**
% of BIP	**12.6%**	**5.3%**	**82.1%**	**100%**

Source: GCMS and FOSS

Although BIP admissions remained relatively constant over the years, the share of BIs admitted under each of the three classes changed over the five year period considered. The proportion of BIP immigrants in the EN class declined from 22.8% in 2007 to 7.2% in 2011. The proportion in the SE class also declined, from 7.6% in 2007 to 4.4% in 2011. Over this time period, the proportion in the IN class increased from 69.5% in 2007 to 88.5% in 2011.

1.2.5. Characteristics of BIP immigrants

Table 1.3 summarizes the socio-demographic characteristics of BIs arriving in Canada from 2007 to 2011 and their intended province of destination. Comparison of BIs with immigrants admitted under other economic classes (FSW and PNP) is also provided in Table 1.3.

Administrative data indicate that **Entrepreneur immigrants** tend to be married (91.5%), between 45 and 65 years of age at admission (62.9%). In addition, 34% have less than 13 years of schooling and 31.6% report not knowing English or French at time of admission. Although an important share came from a country located in the Asia, Australia and Pacific region (47.9%) as their last permanent residence, they came from a wider range of countries than investor immigrants. Also, more ENs intended to settle in Ontario (60.4%) or British Columbia (32.8%) than elsewhere in Canada.

Self-employed immigrants include a higher proportion of single persons (19.2%) and a higher share (47.3%) was in the younger age group (aged 25 to 44) than other BI classes. In addition, 21.3% have less than 13 years of schooling and 21.0% report not knowing English or French at time of admission. SEs came from a wider range of countries than other BI classes, including 30.8% having their last permanent residence in Europe (including the UK) and 14.9% in the US. They were equally intending to settle in Ontario (46.6%) and British Columbia (41.1%), although some also intended to settle in other provinces.

Investor immigrants are mostly married (94.2%) and between 45 and 65 years of age (52.6%). In addition, 29.2% have less than 13 years of schooling and 65.9% report not knowing English or French at time of admission. The majority (86.8%) had their last permanent residence in the Asia, Australia and the Pacific region. More INs intended to settle in British Columbia (64.2%) with most of the remaining INs intending to settle in Ontario (32.2%).

The profiles of the three BIP classes show some similarities and some key differences. As such, the ENs and the INs were similar in terms of marital status, age and education, but differed in terms of world region of last permanent residence and the INs were much less likely to report knowing English or French at admission. They also differed in where they intended to settle, with more ENs intending to settle in Ontario, compared with more INs intending to settle in BC.

The SE class differed considerably from the other two classes. The SEs tended to be younger and have slightly higher levels of educational attainment. In addition, a higher proportion of SEs knew English or French at time of admission. They also tended to come from a much wider range of countries, with more coming from Europe and the US, and they were more evenly distributed across Canada than the other two classes.

Table 1.3: Characteristics of BIP, FSW & PNP Immigrants, 2007-2011 (Principal Applicants)

Characteristics at time of admission	Groups	ENs	SEs	INs	BIs-Federal	FSWs	PNs
Gender	Male	86.1%	75.3%	82.5%	82.5%	65.8%	70.4%
	Female	13.9%	24.7%	17.5%	17.5%	34.2%	29.6%
	Total Number	**1,565**	**657**	**10,180**	**12,402**	**131,059**	**55,475**
Age	18-24	0.1%	1.5%	0.2%	0.3%	1.0%	4.3%
	25-44	34.5%	47.3%	46.1%	44.7%	81.9%	77.3%
	45-64	62.9%	47.0%	52.6%	53.6%	17.0%	18.2%
	65+	2.4%	4.1%	1.0%	1.3%	0.1%	0.1%
	Total Number	**1,565**	**657**	**10,180**	**12,402**	**131,059**	**55,475**
Marital Status	Married/Common law	91.5%	75.3%	94.2%	92.9%	66.6%	62.6%
	Separated, Divorced, Widowed	3.1%	5.5%	3.2%	3.3%	2.5%	2.9%
	Single	5.4%	19.2%	2.6%	3.9%	31.0%	34.4%
	Total Number	**1,565**	**657**	**10,180**	**12,402**	**131,057**	**55,475**
Education	0-9 years of schooling	9.3%	6.1%	9.3%	9.1%	5.1%	3.4%
	10-12 years of schooling	24.7%	15.2%	19.9%	20.2%	0.3%	12.0%
	13+ years of schooling	6.8%	8.7%	4.9%	5.3%	1.3%	3.6%
	Trade certificate	7.9%	9.7%	6.3%	6.7%	1.8%	12.8%
	Non-university diploma	17.3%	16.7%	22.9%	21.9%	7.8%	16.8%
	Bachelor degree	26.1%	29.2%	26.1%	26.3%	42.0%	40.3%
	Master's degree	6.4%	12.3%	9.0%	8.8%	35.2%	8.6%
	Doctorate	1.5%	2.0%	1.6%	1.6%	6.6%	2.5%
	Total Number	**1,565**	**657**	**10,180**	**12,402**	**131,059**	**55,475**
Official Languages	English	65.2%	71.1%	33.1%	39.1%	82.6%	84.1%
	French	0.3%	0.5%	0.1%	0.1%	0.8%	0.3%
	Both	3.0%	7.5%	0.9%	1.5%	9.5%	3.9%
	Neither	31.6%	21.0%	65.9%	59.2%	7.1%	11.8%
	Total Number	**1,565**	**657**	**10,180**	**12,402**	**131,059**	**55,475**
Country of Last Residence, World Area	Asia, Australia, Pacific	47.9%	42.0%	86.8%	79.5%	53.6%	62.1%
	Africa., Mid-East	33.5%	8.8%	9.8%	12.8%	20.8%	9.6%
	Latin America	3.5%	3.5%	0.6%	1.2%	6.6%	5.5%
	US	4.0%	14.9%	0.4%	1.7%	2.7%	2.6%
	Europe (except UK)	7.5%	19.8%	1.3%	3.1%	10.5%	13.7%
	UK	3.6%	11.0%	1.0%	1.8%	5.8%	6.6%
	Total Number	**1,565**	**657**	**10,180**	**12,402**	**131,059**	**55,475**

Characteristics at time of admission	Groups	ENs	SEs	INs	BIs-Federal	FSWs	PNs
Intended Province of Destination	Atlantic	1.4%	2.0%	0.9%	1.0%	1.8%	11.4%
	Ontario	60.4%	46.6%	32.2%	36.5%	63.6%	4.1%
	Manitoba	0.1%	2.1%	0.2%	0.3%	0.9%	33.1%
	Saskatchewan	0.3%	0.6%	0.2%	0.2%	0.8%	15.2%
	Alberta	5.0%	7.0%	2.2%	2.8%	12.8%	19%
	BC	32.8%	41.1%	64.2%	59.0%	20.0%	16.7%
	Territories	0%	0.6%	0%	0%	0.1%	0.6%
	Total Number	**1,565**	**657**	**10,180**	**12,402**	**131,022**	**55,474**

Note: Percentages may not total 100% due to rounding.
Source: GCMS and FOSS

In comparing the socio-demographic profile of immigrants admitted under BIP to the profile of those admitted under the Federal Skilled Worker Program (FSWP) or the PNP, key differences are noted.

- BIs tended to be older than those admitted under the FSWP and PNP, with over half (53.6%) being between 45 and 64 years of age at admission, whereas 81.9% in the FSWP and 77.3% in the PNP were between 25 to 44 years of age.
- BIs were more predominantly male (only 17.5% are females compared with 34.2% in the FSWP and 29.6% in the PNP) and came from a narrower range of world areas with 79.5% of BIP immigrants coming from the Asia, Australasia and Pacific region compared with 53.6% in the FSWP and 62.1% in the PNP coming from this region.
- BIs were also less educated with only 36.7% having completed university education compared with 83.8% in the FSWP and 51.4% in the PNP. Whereas 29.3% of BI immigrants had less than 13 years of schooling, only 5.4% of FSWP and 15.4% of PNP immigrants had less than 13 years of schooling.
- Finally, BIs were less knowledgeable of Canada's official languages with 59.2% reporting not knowing French or English at admission, compared with only 7.1% in the FSWP and 11.8% in the PNP not knowing either of Canada's official languages.

BIP immigrants who arrived in Canada between 2007 and 2011 reported having considerable business experience before coming to Canada. Based on the BIP survey data compiled for this evaluation, BIs reported having an average of 15.2 years of relevant experience prior to coming to Canada. Statistically significant differences between years of experience reported between the three classes of BIP were found. ENs averaged 17.6 years of previous business experience and INs averaged 14.4 years. SEs averaged 21.4 years of previous experience in their fields.

Many ENs and INs reported having owned multiple businesses before coming to Canada. ENs averaged 2.7 previous businesses and INs averaged 2 previous businesses. Types of previous businesses for ENs included: retail trade (27.9%), wholesales trade (25%), manufacturing (20.6%) and construction (15.1%). A third (33.3%) of ENs and a quarter (25.1%) of INs reported being still involved in at least one business abroad when the survey was conducted.

When they applied to immigrate under the BIP, many SEs (61.8%) reported intending to pursue cultural activities in Canada, most of which were related to arts, 31.1% reported intending to pursue farming activities and 7.1% athletics activities.

1.2.6. BIP costs, 2006/07 to 2011/12

Annual costs by fiscal year for the BIP are shown in Table 1.4. These figures include federal processing costs for BIP immigrants under both the federal and Quebec BIP. The financial data did not provide separate federal costs for federal BIP and the Quebec BIP cases. Federal costs related to the processing of Quebec BIP only include costs incurred for the assessment of admissibility and for visa issuance. Costs incurred by the province of Quebec leading to the issuance of a certificate of selection for applicants under the Quebec BIP are excluded as they relate to part of the processing that falls outside of CIC's responsibility. Therefore, the federal costs include the total costs for the federal BIP as well as CIC costs associated with admissibility processing and visa issuance for Quebec BIP.

Table 1.4: Total annual federal costs for BIP (Federal and Quebec BIP cases) by fiscal year

BIP Program	2006/07 $M	2007/08 $M	2008/09 $M	2009/10 $M	2010/11 $M	2011/12 $M	Average annual
EN	$7.14	$6.05	n.a.	$4.20	$3.66	$5.08	$5.23
SE	$0.90	$0.73	n.a.	$0.84	$0.51	$1.22	$0.84
IN	$5.21	$5.97	n.a.	$12.63	$6.68	$6.92	$7.48
BIP Total	**$13.25**	**$12.75**	n.a.	**$17.67**	**$10.85**	**$13.22**	**$13.55**

n.a. = Not Available.
Source: CIC Cost Management Model

These data show that annual federal costs for the BIP ranged from $10.85M to $17.67M per fiscal year during this time period, with an annual average of $13.55M (excluding the fiscal year for which data was not available as there was no cost management exercise conducted in 2008/09). The breakdown of costs by classes from 2006/07 to 2011/2012 was 56.6% for the IN class, 39.5% for the EN class and 6.3% for the SE class. Costs for the BIP are further discussed in Section 6, in relation to cost efficiency and effectiveness.

2. Methodology

2.1. Evaluation Issues and Questions

This evaluation assesses the extent to which immediate and intermediate outcomes of the program have been achieved. Evaluation questions addressed during the evaluation were developed to determine the extent to which the program is meeting its expected outcomes.

The first immediate outcome of the BIP is to have a selection process that is consistent, objective and efficient. Second, the admission of entrepreneur immigrants is expected to contribute to new business start-ups, job creation and job retention in accordance with the conditions for this economic class. Thirdly, investors' funds are expected to generate additional provincial investment in economic development.

The following intermediate outcomes are anticipated to occur in the longer-term as a result of the three above-mentioned immediate outcomes:

- Selected and admitted BI class immigrants are economically established in Canada
- Additional job opportunities for all Canadians
- Benefits of expanded economic development activities are shared across Canada

Ultimately, the BIP is intended to contribute to the migration of permanent residents that strengthens Canada's economy.

The evaluation issues and questions addressed were:

Relevance

1) Is there an ongoing need for the Business Immigration Program?
2) Is the Business Immigration Program consistent with departmental and government-wide priorities?
3) Is the Business Immigration Program consistent with federal roles and responsibilities?

Program performance – management outcomes

4) Have policy advice and directives supported effective program delivery?
5) Have selection decisions for the Business Immigration Program been timely, consistent and objective?
6) How effective was the ongoing monitoring of the Entrepreneur Class terms and conditions?

Program performance – program outcomes

7) Has the Entrepreneur Class contributed to the creation of new business start-ups or acquisitions and jobs creation?
8) To what extent are business immigrants becoming established economically?
9) To what extent are the economic benefits of business immigration being shared across Canada (BIP overall) and participating provinces (IN only)?
10) Have there been any unintended impacts associated with BIP?

Program performance – efficiency and economy

11) Are the selection criteria of the BIP effective in identifying applicants who will establish themselves economically?[10] Are there alternative selection criteria that could meet policy objectives more effectively?

12) How cost-effective is the current approach to selecting business immigrants?

For each of the evaluation questions, performance indicators were identified. They are presented in Appendix B, Evaluation Issues, Questions and Indicators.

2.2. Evaluation Scope

The evaluation examined the BIP program delivery from 2007 to 2011, as well as the performance of the program during this time period.

Although administrative data were available beyond 2011 after data collection for the evaluation had been completed, the last year of administrative data to be considered for the evaluation was 2011. Although the addition of data beyond 2011 was considered, the timelines for the evaluation did not allow it. Using data up to 2011 also ensures alignment with the time frame covered by other methods (such as key informant interviews, case studies and survey).

It should be noted that, under the terms of the *Canada-Quebec Accord*, the province of Quebec has the sole responsibility for its selection programs. Therefore, business immigrants selected by Quebec would be processed under the Quebec Business Immigration Program (QBIP). This evaluation excludes business immigrants with a *Certificat de Sélection du Québec* (CSQ), and only includes business immigrants admitted under the federal BIP and destined for provinces and territories outside of Quebec.

2.3. Data Collection Methods

The evaluation questions and performance indicators were addressed using multiple lines of evidence to gather qualitative and quantitative data from a wide range of perspectives including program managers, stakeholders and clients.

The multiple lines of evidence approach included six methods. The data and information gathered were incorporated into an evidence matrix that supported triangulation of information across lines of evidence, which was then used to develop the key findings, conclusions and recommendations.

A hybrid approach was employed for this evaluation, where both Citizenship and Immigration Canada's (CIC) Research and Evaluation Branch and contracted consultants jointly conducted all phases of the evaluation.

The evaluation employed the following six lines of evidence: a literature and document review, key informant interviews, case study site visits, a telephone survey, administrative data analysis, and cost-effectiveness analysis.

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[10] As discussed later in the limitations section, because of inconsistencies in selection criteria point information in CAIPS and GCMS, the evaluation was unable to use this information to get a description of the points received by BIs on the selection grid and to explore which selection criteria would explain better economic performance.

2.3.1. Literature and document review

A combined literature and document review was conducted to provide background and context, informing the assessment of the relevance and performance of the BIP. The review examined relevant background policy and program documents related to the BIP, as well as reports and research articles published in Canada and abroad on business immigration programs. International programs were included in the review. The bibliography of referenced documents is presented in the Technical Appendices.

2.3.2. Key informant interviews

Thirty-nine key informant interviews (KIIs) were conducted, both in-person and by telephone, to obtain the perceptions of key stakeholder groups on the relevance, design, implementation, and performance of the BIP. The table below shows the number of interviews by type; the Key Informant Interview Guide is presented in the Technical Appendices.

Table 2.1: Summary of interviews completed

Interview Group	Number of Interviews
CIC NHQ	8
CIC regions	3
Provincial/Territorial representatives	8
Financial institution facilitators	10
Immigration advisors	6
Other country representatives	4
Total	**39**

2.3.3. Case study site visits

Case study site visits were conducted at Canadian Visa Offices Abroad (CVOA) to interview staff with knowledge of operational and international context issues. Three case study site visits were conducted in CVOA: London, Paris, and Hong Kong. These CVOA were selected to ensure the evaluation had a good representation of the different CVOA delivering the BIP across the CIC network (i.e., offices for which BIP is representing a small and high share of their case load), while still representing a high share of the applications processed. Two of the CVOA visited were receiving significant number of BIP applications and the other one was receiving low volume of BIP applications, thus providing a balanced perspective in regards to the operational context. The Case Study Interview Guide is presented in the Technical Appendices.

Where qualitative information was presented in the report, the scale shown in the table below was used.

Table 2.2: Interview data analysis scale

Term	Meaning
All	100% of respondents
Majority / Most	At least 75% but less than 100% of respondents
Many	At least 50% but less than 75% of respondents
Some	At least 25% but less than 50% of respondents
A Few	At least two but less than 25% of respondents

2.3.4. Telephone survey

A telephone survey was conducted with BIP immigrants admitted to Canada between 2007 and 2011, in order to obtain information on their application experience and their economic establishment in Canada. Two mail-outs were sent to the 12,364 of 12,402 BIP immigrants for whom complete addresses were available, in order to obtain their informed consent to participate in the telephone survey. As a result, 1042 positive consents were obtained, representing 8.4% of the population contacted. 877 immigrants were interviewed, providing a margin of error of ± 3.2% using a 95% confidence level for the survey data collected. The number surveyed corresponds to 84.2% of those who provided their written consent to the survey, and 7.1% of the total population contacted. The survey was conducted in seven languages (English, French, Mandarin, Cantonese, Farsi, Korean and Japanese). The BIP Survey Questionnaire is presented in the Technical Appendices. As further discussed in the Limitations section of this report (see Section 2.4), survey results were weighted to ensure appropriate representation of the BI population, so that survey results can be used with confidence.

2.3.5. Administrative data analysis

An administrative data analysis of existing Government of Canada (GoC) databases was completed to provide information on the application processing, characteristics of immigrants admitted, and the economic outcomes for immigrants. These databases included the Global Case Management System (GCMS), the Computer-Assisted Immigration Processing System (CAIPS), and the Field Operations Support System (FOSS), which provided information about BIP applications and admissions.

This analysis was also supported by information from the Longitudinal Immigration Database (IMDB)[11] and the Canadian Employer-Employee Dynamics Database (CEEDD) on economic outcomes for BIs. The CEEDD provided information on the population of businesses and business owners reporting corporate income tax, and the IMDB provided information on the population of individual tax filers. In addition to addressing the economic outcomes of BIs, the IMDB also provided information on out-migration and interprovincial mobility.

Although representing the full population of individual tax filers, not all immigrants admitted are found in the IMDB. Various reasons can account for this, such as never having filed an individual income tax report, or not being linked to the IMDB despite having filed an income tax report. Overall, most of the BIs admitted between 1995 and 2010 were captured in the IMDB. The capture rate of all immigrants admitted who file an income tax report each year since admission is similar among BIP classes. The lowest capture rates are found either for the admission year (year 0) or the last year of observation considered for a given cohort in the study, and reach a low of 58% of ENs, 48% for SEs and 52% for INs for specific cohorts. Highest capture rates are generally found between the first and third years since admission, and reach up to 85% of ENs, 82% of SEs and 86% of INs for specific cohorts (for more information on capture rates, see Appendix C).

While the primary focus of the evaluation was on the BIP from 2007 to 2011, the evaluation examined longer-term trends in the applications received through the BIP (from 1995 to 2011), as well as the mobility and economic outcomes of BIs (from 1995 to 2010).

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[11] All earnings information from the IMDB were adjusted using the Consumer Price Index (CPI) to account for inflation. As such, earnings from the IMDB are reported in 2010 constant dollars (year 2010 as the base).

Consequently, there are some considerations when triangulating the information provided by the IMDB, CEEDD, and the survey of business immigrants. IMDB results include multiple cohorts and taxation years (1995-2010); CEEDD results are provided for only one taxation year (2009) and for multiple cohorts (1995-2009); survey results were captured for 2007-2011 cohorts in 2013. In addition, IMDB results do not capture the activities of incorporated businesses, whereas CEEDD and survey results reflect both un-incorporated and incorporated business activities. As such, it is expected that results from the different lines of evidence will differ to some extent, as they draw from different cohorts, taxation years and capture different concepts. Results drawn from these different data sources will need to be interpreted differently to account for methodological specificities.

2.3.6. Analysis of program costs

In order to examine the resource utilization by the BIP, program delivery costs were examined in relation to the volume of applications processed. CIC Cost Management data, including federal processing costs for BIP immigrants under both the federal and Quebec BIP, were used to that purpose. The data did not allow distinguishing between costs incurred for the federal BIP program and those incurred for the delivery of the Quebec BIP program.

2.4. Limitations and Considerations

The evaluation employed a balance of qualitative and quantitative lines of evidence, enabling the triangulation of research findings. Mitigation strategies were used to address the limitations, and along with the triangulation of multiple lines of evidence, were considered sufficient to ensure evaluation findings can be used with confidence. Yet, the following limitations and mitigating strategies of the evaluation methodologies should be considered:

- **Gaps in literature and document review**: Although CIC has a good collection of documentation on the BIP, there is a lack of academic literature focused on the economic activities of business immigrants. Rather, the available literature examines more generally the self-employment activities of immigrants, with no distinction made about the class under which they were admitted to Canada.

  Mitigation strategy: This deficit was addressed by gathering direct information on the economic outcomes of BIs through the telephone survey and administrative data analysis of incomes they report to the Canadian Revenue Agency on their income tax report. However, information obtained though these other lines of evidence only apply to the specific cohorts studied, and cannot be generalized to all cohorts admitted since the program was introduced. As such, mitigation strategies could not completely counter the lack of relevant academic literature on economic activities of BIs.

- **Representativeness of survey respondents**: The survey sample obtained through the informed consent process differed from the total BI population admitted between 2007 and 2011, with ENs being over-represented and INs being under-represented. Additionally, there was an under-representation in the survey sample of respondents from Asia.

  It is also possible that the results of telephone survey of BIs could have been positively skewed by those respondents more compliant with the terms and conditions of the EN program. This self-selection bias is however the same that would be expected in any survey undertaking.

Mitigation strategy: The survey results were weighted to address these imbalances identified in order to ensure that they were representative of the total BIP population (for more information on weighting, see Appendix D). The sample size in the BIP survey was sufficient to report averages for BIP and its three classes for all indicators.

- **Gaps in administrative data**: Gaps in several administrative data sources were noted. First, because of inconsistencies in selection criteria point information in CAIPS and GCMS, the evaluation was unable to use this information to get a description of the points received by BIs on the selection grid and to explore which selection criteria would explain better economic performances.

  Mitigation strategy: The application and admission records capture similar types of information (i.e., information related to the socio-demographic characteristics of individuals) although in some instances to a lesser level of detail, which was at least sufficient to support socio-demographic analysis of the BIP cohort. In addition, the evaluation gathered qualitative data on this topic.[12]

  Second, the evaluation had planned to use information from the Entrepreneurship Monitoring Information System (EMIS) and the Investment Monitoring Information System (IMIS) to assess the economic activities of ENs and INs, as well as the degree of monitoring of and compliance with EN terms and conditions. Unfortunately, these CIC databases had a high rate of missing values, especially for the years under study. As a result, the evaluation was unable to draw upon these sources of information.

  Mitigation strategy: This limitation was anticipated when planning the evaluation. As such, the evaluation was designed in a way that allowed to gather the information needed through other lines of evidence, namely from the KIIs with CIC representatives and the telephone survey with BIs.

  Third, although administrative data on application, admission and tax records became available to cover additional years after data collection for the evaluation had been completed, analysis focused on the original scope period for the evaluation (2007 to 2011). This ensured alignment with the time frame covered by other methodologies (such as key informant interviews, case studies and the survey), so that the respondents across lines of evidence were reflecting on the same period of the BIP.

- **Definition and interpretation on economic performance**: Economic establishment and performance are concepts difficult to define. Once defined their operationalization and interpretation also poses challenges. Given the nature of the business activities that BIs are likely to undertake in Canada and of the Canadian tax system (such as deductions that can be obtained), the extent of BIs economic performance is difficult to fully assess.

  Mitigation strategy: The evaluation adopted a conservative approach in defining and measuring the economic performance of BIs. As such, results provide a minimum estimate of their economic performance in Canada. For more details on the assessment of the economic performance, refer to section 5.1.

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[12] Key informant interviews and interviews conducted as part of the case studies asked whether the selection criteria in place allowed the program to meet its policy objectives and if any alternative selection criteria should be considered.

- **Gaps in financial data**: In CIC's Cost Management Model (CMM), Federal and Quebec business immigrant financial data are captured in the aggregate form. This limited the Evaluation's ability to focus only on costs incurred by the federal part of the program. As such the examination of costs presented in this report includes both Quebec and Federal costs associated with the BIP. Additionally, the scope of the financial information available was limited due to the absence of CMM data for the 2008/09 fiscal year.

Despite all the limitations mentioned above, the design of the evaluation and data collection approaches were able to mitigate the impacts. Strategies were taken to ensure the evaluation presented valuable, reliable information to support strong findings. Where possible, multiple lines of evidence were used to inform the evaluation questions. Despite the different methodological approaches, the results from the different lines of evidence generally converge towards common and integrated findings. The use of different lines of evidence was also designed in a way that they would complement each other in order to fill information gaps.

The evaluation methodologies and limitations are discussed in greater detail in the Technical Appendices.

3. Relevance

This section addresses the need for a business immigration program, consistency with departmental and government-wide priorities, and consistency with federal roles and responsibilities.

3.1. Continued Need

Finding #1: Based on the documents reviewed and the key informant interviews, the evaluation found that there is a continuing need to facilitate the migration of business immigrants to Canada in order to contribute directly to the creation of jobs and businesses in Canada. The majority of key informants felt that Canada needs a program like the BIP; however, some were critical of the ability of the BIP, as it was designed, to achieve its objectives.

The need for business immigration was identified many decades ago. As such, business immigration has been a component of the Canadian immigration system since at least the 1952 *Immigration Act*, which allowed visa officers to admit individuals with sufficient financial resources to establish themselves, and whose business was deemed reasonably likely to be successful. Since its beginnings, the objectives of business immigration have been to stimulate economic growth and to create employment opportunities for Canadians.[13] However, it was only in 1978 that the Regulations set out for the first time two categories of businesspersons (entrepreneurs and self-employed persons). While the EN and SE classes were formally established in 1978, the IN class was only established in 1986. The need for such classes has been and continues to be based on the expectation that business immigrants contribute to Canada's economy beyond the general economic impact of immigration.

The objective of the Entrepreneur Program (EP) is to attract experienced business persons who will own and actively manage businesses in Canada that contribute to the economy and create jobs. The SEs are expected to have the intention and ability to create their own employment in Canada, and are expected to contribute to the cultural or athletic life of Canada, or have experience in farm management and intend to be self-employed in farm management in Canada. The IIP was designed to attract experienced businesspersons and capital to Canada. As such, the expected outcomes for the BIP overall were to select and admit BIs who would be able to economically establish themselves in Canada, to create additional job opportunities for all Canadians through business start-ups and additional provincial investment in economic development, and to share the benefits of expanded economic development activities across Canada.

Interviewees were asked to provide their opinion on the need for a business immigration program. International program representatives interviewed viewed business immigration as a niche of economic immigration, with the potential to support job creation and expand the global economy. The majority of the other key informants interviewed felt Canada needs a program like the BIP, mentioning benefits like enabling access to foreign capital and skills, creating jobs, expanding international linkages and access to capital through the provincial funds.

However, some key informants were critical of the ability of the BIP, as it was designed, to achieve its objectives. BIP critiques raised by interviewees included uncertainty over the economic impact of BIs, particularly related to business and job creation for ENs and to the economic activity generated for Canadians through the SE class, and the limited effective use of provincial investment funds to support economic development. Moreover, many interviewees felt that the contributions of BIP to Canada's economy were minimal, largely because BIP immigrants are a small group (volume-wise compared to the overall economic immigration), and links to economic activity have not been clearly demonstrated. Supporting those critiques, the literature and document review found very limited past research or information on the contribution of the BIP to Canada's economy, or on the impacts of business immigration programs in other countries. The exception to this was for the IIP, for which reports have been produced by participating P/Ts regarding investments made using funds provided by investors, as well as jobs created or sustained through these investments.

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[13] Employment and Immigration Canada, 1983. *Canada: For Business – A proposed new approach to business immigration.*

Almost half of case study respondents felt that other economic immigration classes such as FSWP are performing better than the BIP and that, because expected results for the BIP were not being achieved, the rationale for the current EN and IN classes was unclear. The other half of case study respondents said there is a need for Canada to attract immigrants with business skills and bring capital into the country, and the majority felt that there is a need for SE because it fills a niche immigration need.

While there are perceptions that the BIP, as it was designed and implemented, may not be a strong contributor to Canada's economy, Section 5 discusses program outcomes, and assesses the extent to which BIs have economically established in Canada and contributed to Canada's economy.

3.1.1. Rationale for the SE class under BIP

Stemming from the need for such a program, the evaluation examined both the rationale for including the SE class under the BIP and the rationale for grouping together athletics, culture, and farm management activities under the SE class.

Based on the documents reviewed, the original rationale for Canada's SE class in 1978 was to provide opportunities for immigrants who could generate employment for themselves and up to five Canadians, or who could make a significant contribution to the cultural or artistic life of Canada. This distinguished the SE class from the EN class, who were at that time expected to create five or more jobs for Canadians or permanent residents.[14]

While a few key informants felt that the SE class belonged under BIP as immigrants admitted under this class are not intending to pursue paid employment in Canada, many, however, thought that there is no natural fit for SE under any of the economic programs, including the BIP. As such, these individual were neither seen to belong under the Federal Skilled Worker Program as they were intending to be self-employed, nor were they perceived to belong under the BIP as they were not business persons that would undertake entrepreneurial or investment type of activities in Canada. In addition, key informants could not express a clear rationale as to why cultural, athletics and farm management activities were grouped under the SE class, nor was a description of this rationale found during the literature and document review.

Among the three types of occupations under the SE class, farmers were the ones that were most perceived as business people as they intend to operate a farm once in Canada. However, some key informants suggested that immigration related to farm management could be moved to the PNP.

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[14] Employment and Immigration Canada, 1983. *Canada: For Business – A proposed New Approach to Business Immigration.*

SE class immigrants admitted based on their past experience in cultural or athletics activities were not seen as entrepreneurs or business people. These people are admitted for the cultural and reputational benefits they bring to the country, and not for the potential to create jobs for Canadians, or to take up employment in Canada. The view is that those immigrants would create their own employment through self-employment and would be self-sufficient.

In light of these results suggesting that there is no natural fit for SE under the BIP, especially for SEs admitted based on their experience in cultural or athletics activities, the evaluation performed a review of programs in other countries and found that while some jurisdictions provide specific categories for 'self-employed persons,' some others provide programs for people with 'exceptional talents' as an avenue to admit candidates who may not qualify under other provisions.[15] The selection for 'exceptional talents' programs is generally done by third parties specializing in the designated field (like academies), as they are the ones who are in the best position to assess and to refer candidates for immigration. Although these tend to be small programs in terms of the numbers of persons admitted, they are generally viewed by KI respondents as useful options in the jurisdictions where they are offered.

Overall, given that SEs are not expected to generate additional job opportunities for Canadians, the rationale for grouping SE class under BIP is now less obvious. Although the SEs admitted to pursue farming activities in Canada can clearly be recognized as business people, the rationale for grouping those admitted to pursue activities in the cultural or sports domains under a business immigration program is less apparent. Exceptional talent programs, as implemented in other jurisdictions, could address CIC's need for immigrants currently admitted under the cultural and athletics streams of the SE class.

3.2. BIP Consistency with Priorities

Finding #2: As an economic immigration class, the BIP is broadly aligned with GoC and CIC objectives with respect to strengthening the Canadian economy; however, the BIP had become less aligned over time with current CIC and GoC priorities emphasizing innovation.

A review of *Speeches from the Throne* and *Budget Speeches* from 2007 to 2011 did not show business immigration noted specifically as a priority, but identified job creation as a priority, and as job creation is one of the objectives of the BIP, the program was aligned in that regard. However, the 2011 *Speech from the Throne* expressed the Government of Canada's interest in foreign investment in Canada to facilitate innovation and growth in Canada. Additionally, while the pause on the EN stream was in effect, the Department launched a Start-Up Visa pilot in 2013, in order to provide Canadian private sector organizations with access to a broad range of entrepreneurs in whose ideas they can invest.[16] The 2013 *Speech from the Throne* also expressed the Government of Canada's intentions to reform the Immigrant Investor Program so that these investors make a real contribution in exchange for the security and pathway to citizenship that Canada provides.

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[15] The United Kingdom has a program called 'Exceptional Talent' which allows immigration of candidates who have been endorsed by Designated Competent Body, recognising that the applicant is internationally recognised as a world-leading talent, OR to candidates who have demonstrated exceptional promise and are likely to become world-leading talents. Australia also delivers a 'Distinguished Talent Visa' to candidates who were nominated by a person or organisation with a national reputation in Australia in field of expertise and who have shown a record of exceptional and outstanding achievement in a profession, the arts, sport, or research and academia.

[16] www.cic.gc.ca/english/immigrate/business/start-up/index.asp

These developments suggest that the BIP, the way it was designed, may not be in alignment with evolving Government of Canada priorities.

The relative priority of business immigration as compared to other economic classes may also be inferred, in part, from the annual targets in CIC's *Annual Reports to Parliament on Immigration*. As discussed in Section 4 of this report, levels target for BIP have accounted for roughly 4% of total immigration and 7% of economic immigration from 2007 to 2011. Therefore, while BIP targets are modest relative to the skilled worker targets, BIP has continued to be aligned with government and departmental priorities as a component of economic immigration policy from 2007 to 2011. Although the 2014 *Economic Action Plan* proposes to terminate the federal investor and entrepreneur programs, business immigration remains a priority to the GoC as the *Plan* indicated that development of other avenues to facilitate the migration of business immigrants will be pursued.

Many stakeholders interviewed also noted that the BIP and its three classes are small programs. Some felt that this implies the BIP is a lower priority for Canada as compared with other economic classes. On the other hand, the literature review and interviews conducted with representatives of business immigration programs in other countries found that the business share of economic immigration in Canada is similar to that in other jurisdictions. In other countries, business immigration programs are viewed as a complementary tool to worker immigration programs, each addressing different objectives.

3.3. BIP Consistency with Federal Role

Finding #3: The BIP is aligned with roles and responsibilities outlined for the Federal government in federal legislation. The majority of key informants felt that the federal lead on business immigration was appropriate, and some noted that there was also a role for P/Ts to play, through PNPs, for example.

Federal legislation provides a framework with several pathways for business immigrants to enter Canada, including both federal and provincial immigration programs. Within this framework, the federal government is responsible for determining overall immigration targets, for delivery of a federal business immigration program, and for making a final eligibility determination and assessing the admissibility of those applying to immigrate under provincial immigration streams.

The *Immigration and Refugee Protection Act* authorizes and outlines Canada's immigration programs, including business immigration, and establishes roles and responsibilities at both the federal and provincial / territorial levels of government. As such, there is a clear federal legislative framework through the *IRPA* for a federal business immigration program, and such a program is consistent with overall federal government responsibilities for Canadian immigration.

In addition to this role in the selection and admission of BIs, CIC is as well responsible for transferring the IN capital contribution to P/Ts, while the P/Ts are responsible for investing the funds for the purpose of economic development.[17] The structure of the federal IIP is described in the Technical Appendices.

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[17] CIC has sole responsibility for the selection and admission of INs under the federal program, the collection of IN capital contributions, and the distribution of immigrant investor funds to participating P/Ts. However, participating P/Ts are able to direct received capital funding for economic development purposes. CIC is responsible for the allocation and transfer of capital amounts as five-year loans to participating P/T Funds based on

Through PNP business streams, P/Ts also have a role in the selection of business immigrants. In terms of constitutional authorities, Section 95 of the *Constitution Act, 1867*, allows the provinces to make laws with respect to immigration into the province, subject to compatibility with federal immigration laws. The *IRPR* enables P/Ts to establish business streams under their Provincial Nominee Programs (PNPs) for immigrants destined to their jurisdictions to meet their specific priorities and objectives. The *IRPR* however contains a specific prohibition on passive investment programming in the PNP, but allows for P/Ts to recruit BIs who will actively manage businesses in their regions of Canada. During the period considered for the evaluation, PNPs offered streams to facilitate the immigration of entrepreneurs, self-employed immigrants and active investors. As such, some overlap can be perceived between the BIP and the PNP as both provide business immigration avenues for immigrants seeking to own and actively manage a business in Canada. It would necessitate further research to determine to what extent the two programs compete or complement each other, especially in light of the current lack of alignment between BIP and priorities, as discussed in the previous sub-section.

The Province of Quebec has established the most comprehensive Federal-Provincial agreement (the *Canada-Quebec Accord*), under which the Quebec BIP operates. The eligibility requirements for the Quebec BIP are aligned with those of the federal BIP. Quebec uses its own selection grid to select BIP immigrants destined for its Province, and issues a certificate of selection to qualified applicants. CIC carries out the admissibility assessments and issues visas to qualified applicants destined for Quebec.

When asked about the consistency of BIP with federal roles and responsibilities, KIs interviewed indicated that BIP was aligned with federal legislation (*IRPA*) and consistent with federal roles. Some key informants said that there is a role for both federal and P/T governments in business immigration.

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the agreed-on formula. CIC is also responsible for approval of financial institutions as facilitators' who provide capital loans to investor immigrants. The P/Ts are responsible for the use of funds and repayment of the loans at the end of five-year term, as well as for reporting to CIC on the investments and results. CIC thus plays a financial role (in collecting and disbursing capital among P/T partners across Canada), while the P/Ts are accountable for funds management and investment to achieve the expected economic outcomes.

4. Management Outcomes

CIC was expected to undertake activities to ensure that efficient policy and procedures for the BI program delivery were in place and that selection processes were consistent, objective, and efficient. As such, the Management Outcomes section addresses whether policies and directives supported effective program delivery, whether selection decisions for BIP have been timely, consistent and objective, and how effective the ongoing monitoring of the EN class terms and conditions was.[18]

4.1. BIP Application Management

BIP application management and program delivery outcomes need to be examined in light of immigration targets to better understand what the program was able to achieve within the prescribed parameters. As such, this sub-section provides an overview of the BIP levels target for admission and the numbers of BIP applications received, processed, and approved.

4.1.1. BIP immigration levels target

Finding #4: CIC successfully managed the number of BIs accepted into Canada within the upper and lower levels target for three of the five years under review. However, in the face of the high number of applications and a low immigration level allocation, CIC did not succeed in managing the intake of BIP applications and preventing a large inventory from building up.

One indicator that CIC uses to determine whether an immigration class is being effectively managed from an operations perspective is immigration levels target achievement. The GoC establishes a planning range and, within it, an operational target for the number of immigrants to be admitted into Canada in general and under each immigration class more specifically. The levels target includes principal applicants as well as their spouses/common-law partners and their dependent children (this represents the number of persons in Table 4.1). CIC operations manage its workload to admit a certain number of persons within a given immigration class between established upper and lower levels target.

From 2007 to 2011, the average annual targets for all economic classes (including BIP) have been from 145,440 (lower level) to 159,340 (upper level) persons per year (Table 4.1). During this period, the levels target for BIP remained relatively consistent between 9,000 (lower) and 13,000 (upper) persons per year. In addition, BIP levels target remained constantly low in comparison to overall levels target for all economic classes during this period. The average targets for BIP were 10,520 (lower level) to 11,924 (upper level) persons per year which was 7.2% to 7.5% of the lower and upper levels target for all economic classes. These targets include both the federal and Quebec BIP.

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[18] Although the monitoring of the Ts&Cs was not an identified as an outcome in the logic model of the program, the evaluation looked at the monitoring of the Ts&Cs with the view of determining the extent to which ENs were able to contribute to business and job creation in Canada.

Table 4.1: Government of Canada levels target for Economic Immigrants, 2007 to 2011 (number of persons)

Government of Canada Immigration Levels Target	Calendar Years					Total	Annual average
	2007	2008	2009	2010	2011		
BIP targets (Federal and Quebec)							
Lower Level	9,000	11,000	11,000	10,800	10,800	52,600	10,520
Upper Level	11,000	13,000	12,000	11,620	12,000	59,620	11,924
Levels Target	10,000	12,000	11,500	11,210	11,400	56,110	11,222
Actual number accepted	10,181	12,408	12,158	13,302	11,641	59,690	11,938
Targets, All Other Economic Classes (Federal and Quebec)							
Lower Level	132,000	128,000	129,300	145,500	139,800	674,600	134,920
Upper Level	147,000	141,000	144,600	155,180	149,300	737,080	147,416
Levels Target	139,500	134,500	136,950	150,290	144,550	705,790	141,158
Sub-Totals, All Economic Classes Including BIP (Federal and Quebec)							
Lower Level	141,000	139,000	140,300	156,300	150,600	727,200	145,440
Upper Level	158,000	154,000	156,600	166,800	161,300	796,700	159,340
Levels Target	149,500	146,500	148,450	161,550	155,950	761,950	152,390
BIP as % of Targets All Economic Classes	6.7%	8.2%	7.8%	6.9%	7.3%	7.4%	7.4%

Source: *CIC Annual Reports to Parliament on Immigration*, 2007 to 2012.

As evidenced in Table 4.1, for three of the five years under review, CIC successfully managed the number of persons accepted into Canada within the upper and lower target. However, for the remaining two years, the number of persons accepted into Canada slightly exceeded upper levels target. Levels were exceeded by 1% in 2009 and even more significantly in 2010 (by 13%).

4.1.2. BIP application processing and inventory management

BIP applications are received at CVOA and placed in a queue (inventory). Applications are first reviewed for completeness, and to ensure that the principal applicants meet the selection criteria, with the minimum score of 35 points. This process includes assessment of business experience and the provenance of funds for each applicant (if applicable). The final stage in application processing is the assessment of admissibility (medical, criminality and security screening). Following this, the visa officer completes a final review of the application and determines if the application is approved or rejected.

Table 4.2 summarizes the information on BIP applications processed from 2007 to 2011 (cases).

Table 4.2: Processing of BIP applications, 2007 to 2011, number of cases

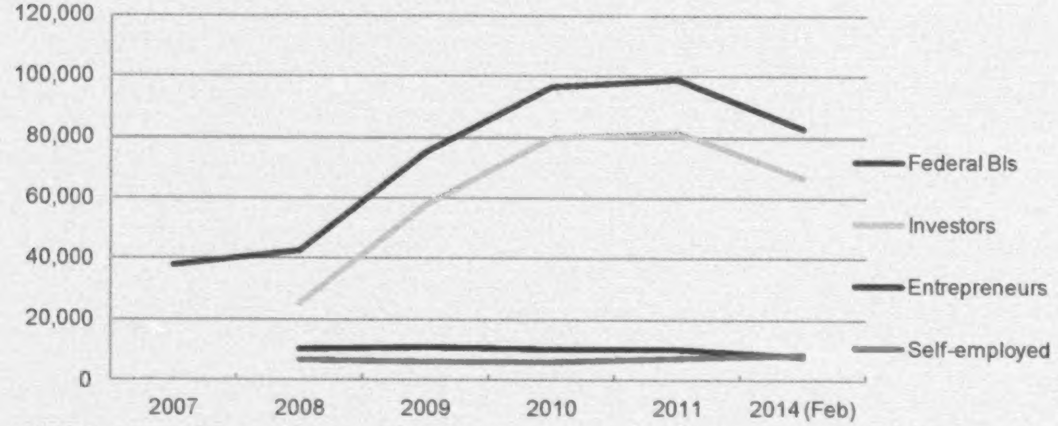
		2007	2008	2009	2010	2011	Total
Entrepreneur Class (EN)	**Applications Received**	**722**	**568**	**461**	**566**	**261**	**2,578**
	Positive decisions	491	389	267	208	135	**1,490**
	Negative decisions	497	512	196	210	142	**1,557**
	Acceptance Rate (%)*	50	43	58	50	49	**49**
	Withdrawn	145	161	150	118	112	**686**
	Total Processed	**1,133**	**1,062**	**613**	**536**	**389**	**3,733**
	Net Inventory Impact	-411	-494	-152	30	-128	**-1,155**
Self-Employed Class (SE)	**Applications Received**	**500**	**367**	**298**	**519**	**622**	**2,306**
	Positive decisions	153	144	150	112	80	**639**
	Negative decisions	178	301	238	155	107	**979**
	Acceptance Rate (%)*	46	32	39	42	43	**39**
	Withdrawn	61	69	139	85	74	**428**
	Total Processed	**392**	**514**	**527**	**352**	**261**	**2,046**
	Net Inventory Impact	108	-147	-229	167	361	**260**
Investor Class (IN)	**Applications Received**	**2,877**	**5,431**	**8,506**	**11,184**	**2,950**	**30,948**
	Positive decisions	1,023	1,351	1,306	1,554	1,404	**6,638**
	Negative decisions	344	315	493	703	372	**2,227**
	Acceptance rate (%)*	75	81	73	69	79	**75**
	Withdrawn	289	371	579	1,122	761	**3,122**
	Total Processed	**1,656**	**2,037**	**2,378**	**3,379**	**2,537**	**11,987**
	Net Inventory Impact	1,221	3,394	6,128	7,805	413	**18,961**
BIP - Federal (All Classes	**Applications received**	**4,099**	**6,366**	**9,265**	**12,269**	**3,833**	**35,832**
	Positive decisions	1,667	1,884	1,723	1,874	1,619	**8,767**
	Negative decisions	1,019	1,128	927	1,068	621	**4,763**
	Acceptance rate (%)*	62	63	65	64	72	**65**
	Withdrawn	495	601	868	1,325	947	**4,236**
	Total Processed	**3,181**	**3,613**	**3,518**	**4,267**	**3,187**	**17,766**
	Net Inventory Impact	918	2,753	5,747	8,002	646	**18,066**

*Acceptance Rate is calculated as positive outcomes divided by the sum of positive and negative final outcomes. The calculation includes final decisions made in Canada; negative decisions at paper-screening and selection decision stages; and positive and negative decisions at final decision stage for applications processed overseas. The calculation does not include Withdrawn or Abandoned outcomes.
Source: Dwsweb;(5) Selection/all_imm_e from download of October 1, 2012

These data show that 17,766 BIP applications were processed from 2007 to 2011. A total of 8,767 BIP applications were approved with an acceptance rate of 65%. The acceptance rate is the highest for the IN class (75%), followed by the EN class (49%) and the SE class (39%).

Overall, the number of BIP applications received increased steadily from 4,099 in 2007 to 12,269 in 2010, with a drop to 3,833 in 2011 as a result of the pause on the EN class pause and the cap on IN applications. As evidenced in Table 4.2, BIP inventories varied across the three classes during the time period under review. Out of the total applications received during this time period, the EN class processed 1,155 more applications than received and the SE class' inventory grew slightly by 260 applications. In contrast, the IN class's inventory significantly increased during this time period by 18,961 applications, in part, a result of the steadily low level allocated for admissions under the IN class and growing interest in the program.

Figure 4.1: Federal Business Immigrants inventory over time



**NOTE: Information on inventories for the federal EN class, federal SE class and federal IN class was not available in 2007.*

Sources: Books of Basics; and dwsweb;(4) International Region/IMM_caips_e from download of December 5, 2008; December 11, 2009; December 5, 2010; December 2,

As a result, the overall BIP inventory grew between 2007 and 2011 by over 60,000 persons (see Figure 4.1). Despite the current program pause on IN and EN applications which allowed CIC to start reducing its inventory, CIC had an inventory of 24,976 cases, representing 82,832 persons as of February 4, 2012.

4.1.3. Average processing times and perceptions of timeliness

Finding #5: From a client service perspective, BIP applications took longer to process compared to FSWP and PNP, from the time of application to a final decision. Entrepreneur and self-employed persons applications took significantly longer to process than investor, FSW and PNP files.

Table 4.3 shows processing times from 2007 to 2011 across economic immigration classes under review. These data show that the processing time for 80% of BIP applications declined from 63 months in 2007 and 2008, to 50 months in 2009 and 43 months in 2010. However, the processing time for each of the three BIP classes increased during this time period. For the EN class, the duration increased from 69 months in 2007 to 81 months in 2011; for the SE class, the duration increased from 62 months to 82 months; and for the IN class, the duration increased from 32 months to 38 months. As such, the processing times increased by 32% for the SE class, by 17% for the EN class and by almost 19% for the IN class.

From 2007 to 2011, there were increasing proportions of INs admitted to Canada as part of BIP, rising from 69.5% in 2007 to 88.5% in 2011. The proportions from the EN and SE classes each declined substantially, from 22.8% to 7.2% for ENs, and 7.5% to 3.3% for SEs. Since processing times for the IN class were less than half the processing times for the EN and SE classes, the higher proportion of INs in the BIP total resulted in shorter average durations for BIP as a whole even though processing times for applications in all three class increased.

Table 4.3: Processing times and percentages of BIs accepted by class (including Federal and Quebec BIP)

	Overseas processing time (in months) for 80% of cases*					Percentages of BIs admitted by Class				
Class	2007	2008	2009	2010	2011	2007	2008	2009	2010	2011
EN	69	72	73	77	81	22.8%	13.9%	11.3%	8.3%	7.2%
SE	63	67	71	79	83	7.6%	4.8%	5.0%	4.9%	3.3%
IN	34	34	35	36	43	69.5%	81.2%	83.7%	86.8%	88.5%
BIP - Federal	**63**	**63**	**50**	**43**	**49**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
FSW	68	62	39	40	48					
PNP	11	11	11	13	15					

*Processing time represents the time elapsed between the application received date and the application finalization date.

Source: dswweb; (5) Selection/all_imm_e from download of Oct 1, 2012; and GCMS/FOSS

Although the FSWP and the PNP are distinct programs and processes from the BIP, and in that regard do not constitute absolute benchmarks against which the BIP should be assessed, these programs can be used to determine how the BIP positions itself among other CIC economic immigration programs in terms of processing time. In comparison with FSW and PNP, processing times for BIP applicants were on average longer during the time period under review (Table 4.3). However, the processing times for FSW were similar to the BIP average from 2007 to 2011, declining from 62 months in 2008 to 48 months in 2011. When only comparing the EN and SE class' processing times, FSW applications were processed much faster.

From 2007 to 2011 processing times for the PNP were significantly shorter than for both BIP and FSW programs; Provincial Nominees were processed between 11 and 15 months over these years. However, as CIC is responsible for only a part[19] of the PNP application processing and as PNs receive priority processing, it is expected that CIC's overseas processing times would be shorter for this group.

BIP clients surveyed were asked if their applications had been processed in a timely manner. Approximately 70% of BIP immigrants surveyed said that they either strongly or somewhat agreed that their application was processed in a timely manner. However, there are statistically significant differences between the business classes. In particular, only 43.8% of ENs felt that their application was processed in a timely manner, in comparison to 65.9% for SE and 73.8% for INs. The IN class, which has the shortest processing times, are the most satisfied with the processing times of the three BIP classes based on the data.

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[19] Under PNP, the P/Ts are responsible for nominating candidates, and CIC is responsible for admissibility processing (i.e., medical, security and criminality checks), making a final selection decision, and issuing visas to those who have been selected.

Timeliness was also examined through interviews with CIC staff. The majority of both NHQ and CVOA interviewees indicated that BIP processing times are not timely from a client service perspective; however, from an overseas operational perspective CVOA are processing applications within levels target every year. Because levels target remained low, application intake exceeded what CVOA were allowed to process every year, contributing to large inventories and lengthy wait times. Interviewees also noted that the complexity of cases and varied business, financial reporting and accounting systems from country to country affected processing times. A few key informants noted that the large volume of applications received in advance of CIC policy changes added to the size of the inventory.

Processing times for business immigration programs in other countries were also assessed. The evaluation found that processing times are considerably shorter in other countries than in Canada: applications are processed in 9 to 28 months in Australia; in 3 to 5 months in New Zealand; and up to a maximum of 4 months in the UK.[20] The US does not publish information related to the time taken to process business immigration visas. However, it was not possible to conduct a detailed analysis of factors affecting processing time, as this would have required more comprehensive information on comparative application requirements, processing steps and activities, staffing and resource levels, etc.

Nevertheless, one significant factor may be that most similar programs in other countries provide temporary resident visas to business immigrants as a first step, rather than up-front processing for permanent residency as is the case with the BIP. All of the international program representatives contacted mentioned efficiency gains through the adoption of measures such as the use of electronic applications, application process automation, or consolidating or streamlining visa processing branches. However, they all noted that establishing the legal provenance of applicant funds was challenging and time-consuming. To offset this, two countries delegated responsibility for screening applications and monitoring compliance to third parties, and another hired economic analysts to help assess visa applications.

4.2. Application Processing and Effectiveness

This sub-section provides the assessment of the effectiveness of application processing based on the following criteria: coordination, consistency, objectivity, quality assurance, and timeliness.

4.2.1. Coordination

Finding #6: Program delivery coordination across the business program was generally effective. In particular, coordination between NHQ and CVOA and within any given CVOA was rated very highly by key informants.

Those interviewed during the case studies were asked to rate the effectiveness of coordination of BIP delivery between CIC's National Headquarters (NHQ) and the CVOA, across CVOA and within CVOA.

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[20] Processing times for other countries are provided for both temporary and permanent business immigration programs.

When asked about the effectiveness of coordination between NHQ and CVOA, interviewees rated this coordination as somewhat effective (rating: 3 out of 5).[21] Coordination was viewed as effective in the establishment of immigration levels and for high-level direction. However, coordination between NHQ and CVOA at the operational level was viewed as being less effective where it was sometimes seen as being lengthy and difficult to obtain guidance for questions dealing with specific BIP processing issues. Noted examples of issues related to coordination included: difficulty in getting help as a result of inquiries going to a generic e-mail address, not knowing who in NHQ is actioning the request, and detailed questions not being clearly answered or answered in a unspecific manner.

When asked about the effectiveness of coordination between CVOA, key informants found it to be somewhat effective (rating: 3 out of 5), noting that there is some communication between CVOA mostly at the Immigration Program Manager (IPM) level or through area director meetings. They also noted that NHQ needs to be involved before any decision can be made between missions, which limits the amount of coordination between CVOA without NHQ. In general, most case study interviewees felt that there was less of a need for formal mechanisms to coordinate across CVOA, in part because of variations in conditions among localities and availability of standard guidance and systems (GCMS) that promote autonomy.

Within CVOA, case study interviewees rated coordination as very effective (rating: 4.5 out of 5), mainly due to the use of small teams of individuals working closely together, having regular meetings, and by raising unique cases to unit supervisors.

4.2.2. Consistency in processing

Finding #7: BIP met immigration levels target with a high degree of objectivity and consistency in application processing. BIP selection criteria were found to be objective while still allowing for some flexibility. While there is a high level of consistency in the processing of BIP applications within CVOA, processing practices vary somewhat between CVOA due to country-specific differences and operational realities.

The evaluation asked NHQ and case study interviewees about consistency in the processing of applications, namely how the regulations were interpreted and implemented, across and within CVOA. Most interviewees felt that there is a high level of consistency in processing BIP applications within an individual CVOA (4.5 out of 5). Factors that contribute to consistency within CVOA are: ongoing consultations with team members within the CVOA regarding processing of BIP applications; and, project management processes, internal working guides and checklists that promote consistency.

When asked about whether there is consistency in processing applications across CVOA, many case study interviewees said that there is a low to moderate level of processing consistency between CVOA (rating: 2.5 out of 5). Although interviewees noted that CVOA follow the same guidance and selection criteria which ensure a certain level of processing consistency, some CVOA staff explained that there are different operational realities (such as external tools available to help assess the application) when working in different countries, which may lead to differences in interpretation of guidelines. For example, some countries have access to Government business registries that makes it easy for officers to validate the information related to business ownership, while such information is not readily available in other countries.

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[21] Interview questions on management outcomes (coordination, consistency in processing applications and objectivity) asked interviewees to rate their answers on a scale of 1 to 5, where '1' = Not at all and '5' = Very much'. For more information on interview and case study guides, refer to Technical Appendices.

Case study interviewees also indicated that policy advice and directives (OPs and OBs) from NHQ support consistency in the processing of BIP applications. Some interviewees suggested that the processing of BIP applications would benefit from greater specificity, details and guidance on some aspects of the regulations. In particular, policy guidance leave some room for interpretation on aspects like the definition of 'world class athlete', or what constitutes applicable farming experience as it applies to Canadian farming, or how to define 'actively manage a business', etc. It was also noted that the OBs should provide examples that are more specific to regional differences and challenges.

One method to ensure the consistency in processing of applications is for CVOA staff to routinely undertake quality assurance (QA) activities. For the three CVOA under review, no studies or quality control reports were found that specifically examined the consistency in the processing of BIP applications.[22] However, over the period of the study, CIC conducted audits of offices responsible for handling BIP files. These audits looked at the adequacy of the governance and management framework in place and at the degree of compliance of practices and procedures with applicable legislation and policies associated with the delivery of the immigration program. Among other things, audits of CVOA included the review of some BIP applications and audits of inland CIC offices discussed the monitoring of the EN class.

QA in CVOA consists of internal due diligence processes employed during the processing of BIP applications. The case studies found that each CVOA developed a different approach in response to their operational environment to ensure QA for their BIP application process. In CVOA that process small volumes of BIP applications, QA involved the use of checklists, and having senior staff do the occasional review of particularly different or difficult cases. For CVOA that process higher volumes of BIP applications, QA involved having more formal interviews targeting specific cohorts, regions, or random draw of applications for interview, as well as further investigation on references provided by applicants.

4.2.3. Training of Visa Officers

CIC provides six weeks of training for Canadian Visa Officers before they are posted overseas. Some locally engaged staff and all Designated Immigration Officers (DIO) receive training in Canada after they have been working in the CVOA for a year or more.

Many case study interviewees noted that, while the initial training in Ottawa is effective, it is lacking in BIP specific information. They noted that BIP specific training is needed due to the challenging nature of assessing business applications stemming from the complexity of assessing financial documents and determining the provenance of funds. Interviewees suggested that training could be improved by the addition of refresher courses, and specific sessions on business and financial reporting. In addition, more training could be beneficial to both Canada-Based Officers (CBO) and DIOs; although CBOs get more opportunities for training than do their local counterparts.

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[22] Quality assurance is an ongoing process involved at different stages of processing each application to ensure ongoing quality. Quality control is the periodic sampling of a number of completed applications to determine if the processing met quality standards.

This was identified as less of a challenge for the Hong Kong visa office as a result of the large volume of applications they receive, thus enabling them to develop the required expertise and processes to process applications more efficiently.

4.2.4. Objectivity

When asked whether the selection criteria (i.e., how they are implemented) allows for an objective selection of BIP applicants, many NHQ and case study interviewees rated the objectivity of the selection criteria as high, with an average rating of 4.5 out of 5. They noted that there is a good balance between the objectivity of the selection criteria and the needed flexibility in the decision making process by visa officers. This was noted in particular for the SE class, where flexibility can prove useful when assessing what constitutes 'world class in athletic and culture' and 'experience in farm management' because of the wide variety of applicants. In addition, some interviewees noted that the standards of documentation available vary from country to country, which creates challenges in assessing applicant qualifications. Furthermore, a few key informants noted that more specific criteria could also help potential applicants to self-screen prior to submitting an application.

4.2.5. Clarity of application process

BIP clients surveyed were also asked whether they understood the application process. On average, 88.6% of all clients surveyed agreed that they understood the application process. In addition, 85.6% of clients surveyed widely agreed that it was easy to access the information they needed to complete their application. Differences between the three BIP classes for these variables were not statistically significant.

Lastly, the BIP survey asked applicants whether they received any assistance in filling out their application form. On average, 82.3% of BIP clients said they received help; however, responses from these groups differed. Specifically, only 45% of SEs received help in filling out their application, in comparison to EN and IN applicants at 73% and 86% respectively. Of the clients who said they received help, 47% said they used an immigrant-serving organization, 44% used an immigration consultant and 22% used a lawyer. Out of the 47% who said they used an immigrant-serving organization, ENs used them the least (19%) and INs the most (51%). The reverse was true for those who said they used a lawyer; ENs used them the most (39%) and INs/SEs the least (20%). There was no statistical difference between classes for those who used an immigration advisor (lawyer or consultant) to fill out their application.

4.3. Monitoring the EN Class

Finding #8: During the time period under review, limited monitoring was conducted by CIC on entrepreneur terms and conditions. Reasons for this mentioned by CIC key informants were that monitoring was time-consuming and costly, that terms and conditions were difficult to enforce and that limited training was provided on how to monitor ENs. As a result there was insufficient data for CIC to assess whether entrepreneurs' terms and conditions were being met.

As per the operational guidelines on the EN class, CIC was responsible for monitoring entrepreneurs for the first three years after their arrival in Canada. The EN class terms and conditions require that for at least one in three years after becoming a PR, ENs must: (i) control at least 1/3 of the equity in a qualifying Canadian business; (ii) actively manage the business; and, (iii) create at least one additional job (FTE) in the business for a Canadian citizen or Permanent

Resident other than the admitted EN or a family member. In the case of an EN who does not comply with the conditions, the CIC officer responsible for the monitoring should prepare a report documenting the issues, recommending for or against an admissibility hearing, which could ultimately lead to the undertaking of removal actions.

Analyzing the 2007-2011 period, a review of available information in the EMIS database found that the vast majority (88% to 96%) of the data on EN business activities and almost all information on inquiries as well as Ts&Cs enforcement were missing. As such, CIC does not have records on the extent to which entrepreneurs met their Ts&Cs and whether any enforcement actions were taken.

NHQ interviewees who were asked and were able to speak about EN Ts&Cs noted that monitoring was minimal to moderate. The following reasons were given for this minimal to moderate assessment: monitoring Ts&Cs was too time-consuming, costly, and difficult to enforce; and, although manuals were available, there was no training for staff on how to monitor ENs and staff lacked the required financial expertise. Furthermore, having Ts&Cs may have encouraged business activities solely designed to fulfill the requirements, acting as a disincentive for ENs to take business risks or to undertake certain types of businesses. As such, ENs may have been less inclined to engage in innovative business activities, but rather engaged in more secure type of businesses which allowed them to fulfill the requirements of the program more easily. It was noted that, although Ts&Cs were not widely enforced, it may have been useful to make CIC's expectations for this immigration class clearly known and to deter applicants who were not serious about starting a business.

Additionally, a few key informants stated that some cases of non-compliance were identified and referred to the Canadian Border Services Agency (CBSA), but they were unaware of any cases involving entrepreneurs being removed from Canada for non-compliance. Therefore, lack of enforcement was an identified issue.

While CIC did not consistently monitor the EN class, the BIP survey compiled information that allows assessing the extent to which ENs complied with their Ts&Cs. These data are discussed in Section 5, Program Performance.

5. Program Performance

Through the program activities undertaken, the immediate expected outcomes for the BIP are: additional provincial investment in economic development; and new business start-ups, job creation and job retention. These immediate outcomes would lead, at the intermediate level, to the following outcomes: selected and admitted BI class immigrants are economically established in Canada; additional job opportunities for all Canadians; and benefits of expanded economic development activities are shared across Canada.

To assess whether these outcomes were achieved, this section includes findings on the program performance, specifically, the economic outcomes of BIs, interprovincial mobility and out-migration, and unintended impacts associated with the BIP.

5.1. Economic Outcomes

This sub-section presents information on the self-employment, investment, and other employment activities of BIs. As such, it will examine the contribution of BIs to business and job creation and will assess the extent to which BIs are economically established in Canada.

5.1.1. Introduction to Economic Outcomes

The intent of this sub-section is to clarify how the evaluation proposes to assess the economic establishment of BIs and to measure, in a conservative way, their economic performance in Canada. Not only are economic establishment and performance concepts difficult to define, but once defined their operationalization and interpretation also poses challenges. Given the nature of the business activities that BIs are likely to undertake in Canada and of the Canadian tax system (such as deductions that can be obtained), the extent of BIs economic performance is difficult to fully assess. As such, the following provides the definition that is used in the context of the evaluation and highlights some elements one should keep in mind when reviewing the results on the economic outcomes of BIs.

Understanding economic establishment

Although there is no formal definition of the concept of being 'economically established', the following provides information on CIC's operational definition and how it was assessed in the evaluation.

As per section 102 of the *IRPR*, officers shall determine whether BIP candidates, and their families, will be able to become economically established in Canada on the basis of the factors of the selection grid. An "officer may substitute for the factors set out in subsection 102(1) their evaluation of the likelihood of the foreign national's ability to become economically established in Canada if the number of points awarded is not a sufficient indicator of whether the foreign national may become economically established in Canada".[23] As described in the operational manuals (OP manual 8 and 9), substitution of evaluation (positive or negative discretion) may be used for economic reasons, i.e., involving the ability to support oneself. As such, based on the operational guidance given to officers through operational manuals, the interpretation made by visa officers of the ability to economically establish when assessing BIP applications (and all economic classes more generally) relies on the premise that the applicant (and their family) will be able to be self-supporting.

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[23] Section 109(1), *IRPR*.

However, given that these BIs are economic class immigrants, the expectation is not only for them to be self-sufficient, but also that they contribute, as other economic class immigrants, to the Canadian labour market and economy. As such, this evaluation not only considered whether BIs are economically established as understood by the regulations (*IRPR*, section 102) and supporting directives (operational manuals 8 and 9), but also assessed more broadly the economic performance of BIs in Canada and their economic activities undertaken in the country after being admitted. Different indicators were examined in that regard. While it is a necessary condition for BIs to not be reliant on social assistance to be considered economically established, the evaluation also included indicators on self-employment and investment activities undertaken in Canada, other income obtained in Canada (such as employment income), taxable income (and taxes paid), as well as the composition of income by different sources to assess the extent to which BIs are becoming economically established in Canada and their economic outcomes.

Data elements to consider

Despite the fact that the evaluation used a multi-faceted approach to understand and examine the economic performance of BIs, there are some elements that should be highlighted regarding the data presented on economic outcomes.

As discussed above, there are no clear definitions or established measures of what is considered 'economically established' or what defines a 'successful' business (ex.: in terms of business income or size). While business longevity can be perceived as one indicator to define a successful business, there was no longitudinal data on businesses established by BIs that could inform that aspect. It is also difficult to interpret income from self-employment given all the deductions that can be claimed. In that sense, net self-employment income provides a conservative estimate of personal financial assets self-employed individuals may have, and gross figures provides business level information that has limited value in assessing the economic situation of individuals. In addition, much of the data available for the evaluation centers on the individual tax filer rather than on the business itself. As such, to a large extent the analysis looks at the individuals' contribution to the tax system through employment income tax paid, yet knowing that business activity impacts at the corporate level may not be well reflected.

There are also considerations related to data sources used to inform the different aspects considered. The survey of business immigrants considers BIs who have been admitted to Canada between 2007 and 2011. As the survey was conducted in 2013, some survey respondents will have been in Canada for less than three years. As ENs have three years to comply with terms and conditions associated with the program, survey results may slightly underestimate the proportion of ENs complying with the program's terms and conditions.

The IMDB can be used to provide information about the Canadian tax filer population only. BIs are a mobile population; while some may definitively leave the country at some point, it can be presumed that many others maintain business activities abroad while being present in Canada. As such, the IMDB only informs about activities reported in Canadian tax system, yet knowing that there could be other sources of income earned abroad that these people use to sustain themselves that would not be captured by this database. For some, IMDB data may reflect only a part of the income they have through personal income taxes, while some others may not be captured in the IMDB as they only file corporate taxes or do not file taxes at all in Canada and live off income earned by other means. As a result, IMDB provides partial information on how individual tax filers are economically established in Canada.

Given all of these reasons, the economic performance of BIs is difficult to evaluate. Considering the different elements discussed, results presented in this section tend to provide a conservative estimate of the economic performance of BIs.

Finding #9 relies on information presented throughout Section 5.1 and presents an overall assessment of the program expected outcome of BI economic establishment using several of the aforementioned indicators for a 'composite' finding.

Other findings (Findings #10-16) on specific indicators are also presented for each relevant sub-section.

Finding #9: When considering together the indicators of self-employment income, investment activities, employment income, taxable income (and taxes paid), and social assistance reliance, business immigrants demonstrated some level of economic establishment in Canada. However, their economic performance and extent to which BIs had economically established is low compared to other economic classes considered (FSWs and PNs).

5.1.2. Self-employment activities

Expectations to undertake self-employment activities for principal applicants of the BIP vary depending on the class under which they were selected. As per the terms and conditions of the program, entrepreneurs are expected to establish businesses in Canada within 3 years of arrival, to maintain that business for at least one year and to actively participate in its management as well as to create at least one full-time position for a Canadian citizen or a permanent resident (other than for the EN or a family member). As such, it is expected that these individuals will establish in Canada through undertaking self-employment activities. Although not bound to post-arrival terms and conditions, individuals admitted under the Self-Employed Persons Class are also expected to pursue self-employment activities in one of the three fields they qualified under (cultural, athletics or farming). The only class under the BIP for which there is no expectation regarding self-employment is the Investor Class, as they have no requirements to meet beyond the one-time refundable investment they have to make in order to be granted permanent residence.

Finding #10: BIs admitted between 2007 and 2011 established businesses and created jobs in Canada through the EN class (for which this is a requirement to maintain permanent residence). Additional businesses and jobs were created through the IN and SE classes, although to a lesser degree. These businesses were related mainly to real estate and rental leasing and the sales and service industry (retail and wholesale trade).

Incidence of self-employment

IMDB data[24] indicates that Federal BIs have higher incidence rates of self-employment income[25] than other economic classes (FSW, PNP and Quebec BIP) and, within BIP, the rates are highest for SEs followed by ENs (Table 5.1).

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[24] For the period considered, IMDB captures between 58% and 85% of the ENs, 48% and 82% of the SEs and 52% and 86% of the INs, depending on the cohort and years since admission considered.

[25] Sources of self-employment income are: business, professional, commission, farming, and fishing income. In addition to self-employment earnings declared, individuals may also receive employment earnings from their

Table 5.1: Percentage of PAs declaring self-employment income by years since admission and immigration class

	Years since admission			
Class	Year 1	Year 3	Year 5	Year 10
ENs	19.6%	25.7%	23.3%	21.1%
SEs	38.3%	42.6%	42.7%	40.0%
INs	8.3%	10.2%	10.8%	10.5%
BIs - Federal	**20.1%**	**25.3%**	**24.9%**	**23.7%**
BIs - Quebec	12.0%	16.0%	16.4%	18.3%
FSWs	10.1%	13.6%	15.3%	17.2%
PNs	9.2%	13.7%	16.8%	16.0%

Source: IMDB

One year after admission, 38.3% of the SEs and 19.6% of ENs declare self-employment income. These figures increase to 42.6% for SEs and 25.7% for ENs three years after admission. Ten years after admission, there is a small decrease in the proportion of the two groups declaring self-employment income, with 40% of SEs and 21.1% of ENs declaring such income. As the decrease in the share of ENs declaring self-employment income happens after the third year in Canada, it suggests that this group may be moving out of this type of activity after having fulfilled their post-arrival terms and conditions.

INs declare the lowest incidence rates of self-employment income and the rates are steady over time, at about 10%. In comparison, FSWs and PNs have higher incidence rates of self-employment income than INs. One year after admission, 10.1% of FSWs and 9.2% of PNs declare self-employment income, reaching 17.2% for FSWs and 16.0% for PNs after 10 years in Canada.

As it may not be the same individuals who declare self-employment income over the years, cumulative rates of declaring self-employment income over time were also examined to provide information on the share of BIs who undertook these type of activities over the period considered. Although it could have been expected that the majority of ENs would have undertaken business activities at one point in time since admission to Canada, IMDB data indicates that only 47.5% of ENs admitted between 1995 and 2010 had undertaken self-employment activities.[26] This share was the highest for those admitted under the SE Class (59.4%), and the lowest for Investors (20.4%). Overall, the proportion of BIs who had been involved at one point in time in self-employment activities (41.3%) was higher than for other economic classes, reflecting the expectations for this class. It is 30.1% of FSWs and 13.9% of PNs who have declared having undertaken self-employment activities in their income tax report at one point in time since admission.

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business, which is not captured in the self-employment income figures presented. For more information on the definition of self-employment income and its components, see Appendix E.

[26] Incorporated business activities are not captured in the IMDB. As such, the percentage of ENs who have been involved in incorporated businesses is under-represented. In addition, ENs admitted between 2008 and 2010 had been in the country for less than three years in 2010 which was the last taxation year available at the time of analysis. Some of these individuals may not have had time yet to set up a business, but may still be intending to do so, as per the terms and conditions of the program.

The CEEDD contains information on businesses owned by the immigrant (including BIs, FSWs, and PNs) and the non-immigrant population. The evaluation used these data to look at the situation in 2009 of BIs admitted between 1995 and 2009, in comparison to FSWs, PNs and total immigrants admitted over the same time period as well as non-immigrants.[27] It shows that of the BIs who filed an income tax report in 2009, 11,970 owned at least one business that year. Most (6,530) of those were ENs, and a little less than half were either SEs (2,949) or INs (2,491). As such, 26.5% of BIs admitted during those years still owned at least one business in 2009, representing 35.4% of the ENs admitted, 35.1% of the SEs and 13.6% of the INs.[28]

The BIP survey also collected data on the businesses owned by BIs over time. Although survey results show considerably higher proportion of ENs involved in business activities, survey data generally shows similar trends to IMDB and CEEDD data regarding self-employment for other BI classes and BIs overall. The data indicates that 94.4% of ENs admitted between 2007 and 2011 that were surveyed reported having created, owned or invested in businesses in Canada since arrival. Based on the BIP survey data (as of 2013), 57.1% of SEs and 23.1% of INs said that they had created, owned or invested in businesses in Canada since arrival.[29] Across all classes, 33.7% of BIs who came to Canada in this time period reported involvement in business activities.

In addition to their involvement in businesses in Canada, survey results show that 31.6% of SEs said they had been involved in self-employment activities, other than those resulting from their involvement in any businesses they may have owned. Examples of such activities include contracts by artists for specific events, contracts by athletes with a sports team, or self-employed farmers.

Summary: Overall, despite different measures and approaches used by the methodologies considered,[30] results indicate that BIs are engaged in self-employment activities, even more so than their other economic immigrant counterparts. However, self-employment rates vary widely among the three BIP classes. Among BIs, SEs and ENs are the ones who participated the most in this type of activity, as per program expectations. Although no explicit expectations were set for INs by the program in regards to self-employment activities, a few engaged in this type of activity.

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[27] As such, CEEDD data used for the purpose of this report represent a snapshot of the business activities of these groups at one point in time. As the immigrants considered for the analysis have been admitted to Canada over a 15 year period, they are at different point in their settlement, and some may even be retired depending on the age at which they arrived in Canada.

[28] Although it could have been expected that a higher share of entrepreneurs would own a business, some individuals may have been in Canada for many years given the admission cohorts considered (1995-2009), and terms and conditions for this class have to be fulfilled in the first three years following admission, after which there are no requirements for these immigrants to engage in business activities. In addition, given the time span considered and the age at which these immigrants are admitted to Canada, many may have reached retirement age in 2009, and some may have left the country. Also, some of the people admitted may not have been captured in the IMDB, because they never filed a T1 income tax (for those who have never filed an income tax more generally, or for those involved in incorporated businesses only and who did not pay themselves a salary that would have to be declared on T1 tax forms), or because of difficulties with linking taxation and immigration records into the IMDB.

[29] IMDB and the survey of BIs looked at different concept; business ownership in the survey as opposed to declaring self-employment income (from businesses or other type of self-employment), which might explain some of the differences in results. In addition, as the survey relied on voluntary participation, there could have been a self-selection bias towards ENs who had created/owned businesses in Canada, as this program is bound by post-arrival terms and conditions. This could explain the higher proportion of ENs who reported having undertaken business activities in the survey, when compared to self-employment information from the IMDB. Also noteworthy is that, since the 2013 survey included BIs arriving in Canada from 2007 to 2011, some respondents had been in Canada for less than three years. Under the terms of the EN class, ENs are expected to be undertaking a business within the first 3 years of arrival. Therefore, some respondents may not yet have started a business given that they still have some time available to comply with the Ts&Cs of the program.

[30] IMDB results include multiple cohorts and taxation years (1995-2010); CEEDD results are provided for only one taxation year (2009) and for multiple cohorts (1995-2009); survey results were captured for 2007-2011 cohorts in 2013. In addition, IMDB results do not include actvities of incorporated businesses, whereas CEEDD and survey results reflect both un-incorporated and incorporated business activities. As findings of the different lines of

Income from self-employment

The IMDB data include both gross and net self-employment income declared for tax purposes. The gross self-employment income indicates the entire income of the tax filer's unincorporated enterprise, that is before any costs or expenses are deducted. If there are multiple owners, each partner declares the income of the whole operation. Therefore, gross self-employment income is a reflection of what is in the 'hands of the business'. It can also be interpreted as the level of economic activity of the business.

Among BIs, it is the ENs who declare the lowest average gross self-employment income, and the SEs the highest. Average gross self-employment income for federal BIs is below $200,000 for all years considered, and they generally have businesses for which they declare smaller gross self-employment income when compared to FSWs and PNs, thus indicating an involvement in modest businesses (Table 5.2).

Table 5.2: Average gross self-employment income of PAs by years since admission and immigration class

	Years since admission			
Class	Year 1	Year 3	Year 5	Year 10
ENs	$95,900	$151,800	$102,800	$119,800
SEs	$193,500	$246,500	$220,900	$231,600
INs	$137,800	$114,800	$463,700	$174,600
BIs - Federal	**$140,700**	**$184,000**	**$191,000**	**$172,900**
BIs - Quebec	$159,800	$82,700	$668,500	$129,800
FSWs	$225,200	$193,000	$200,200	$283,200
PNs	$417,000	$679,800	$107,300	$217,800

Source: IMDB

IMDB data also captures information on the net self-employment income, which represent the tax filer's share of income (either gain or loss) from an unincorporated enterprise after costs and expenses are deducted. As such, the net self-employment income is a reflection of what is in the 'hands of the individual'. If there are multiple owners, each partner declares their own share (of income or loss). This measure is difficult to interpret. Some money earned in self-employment is an economic return on capital (e.g., use of the individuals own car, own house, etc.) which is not normally the case in paid employment. As such, incomes earned though self-employment may be

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evidence will somewhat differ from cohort to cohort, and between taxation years, one should expect results to be somewhat different between lines of evidence.

low, yet a large proportion of expenses could have been covered through deductions.[31] In addition, those unincorporated enterprise owners may choose to take a salary from their business or declare investment gains related to their business activity – this can alter the interpretation that one person makes of their economic activities or contributions. In that sense, net self-employment income information presented below provides a conservative estimate of personal financial assets self-employed individuals may have.

BIs average net self-employment income ranged from $7,200 in year one to $12,700 in year 10. Despite increasing net self-employment income over time, federal BIs have lower net self-employment income than Quebec BIs, FSWs and PNs in all four years since admission, as shown in Table 5.3.

In addition, IMDB data indicate that despite lower incidence rates of self-employment income, PNs, FSWs and INs have higher net self-employment income than SEs or ENs. The gap between net self-employment income of these classes and those of ENs and SEs however diminishes over time.

Table 5.3: Average net self-employment income of PAs by years since admission and immigration class

	Years since admission			
Class	Year 1	Year 3	Year 5	Year 10
ENs	$5,700	$7,700	$11,100	$13,000
SEs	$5,500	$8,000	$9,800	$12,400
INs	$17,900	$16,000	$13,700	$12,700
BIs - Federal	**$7,200**	**$8,700**	**$10,900**	**$12,700**
BIs - Quebec	$9,700	$12,000	$12,300	$15,400
FSWs	$15,100	$14,300	$14,600	$16,200
PNs	$33,500	$26,100	$23,100	$13,900

Source: IMDB

CEEDD also provides information on the gross income of businesses (see Table 5.4). However, this information is somewhat different than in the IMDB as it includes income of both incorporated and un-incorporated businesses (while IMDB captured information on gross income from un-incorporated businesses only)[32], and it considers all cohorts together, thus not taking into account years since admission. Based on this data, the average gross business income of businesses operated by BIs in 2009 was of $230,000, with ENs having the businesses with the highest gross income ($252,000 on average), followed by SEs ($249,000) and INs ($149,000). In comparison, FSWs and PNs had businesses with smaller gross income ($138,000), while businesses owned by non-immigrants had higher gross income ($349,000).

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[31] Businesses can deduct any reasonable current expense paid or that will have to be paid to earn business income. Personal expenses or expenses incurred to buy capital properties cannot however be claimed. For more details on eligible list of expenses and deductions, see Appendix E.

[32] 'Gross self-employment income' and 'gross business income' measure the same concept: the entire income of a given business before any costs or expenses are deducted. The difference between the two is that the first one (gross self-employment income) is the total income of any un-incorporated business as declared in individual tax reports, and does not include information on incorporated businesses, while the second one is reported at the business level and includes both gross income of incorporated and un-incorporated businesses.

Table 5.4: Average gross business income of businesses operated by PAs by incorporation status and by immigration classes/status, tax year 2009 (in dollars)

	ENs	SEs	INs	BIs - Federal	BIs - Quebec	FSWs	PNs	Total - Immigrant	Non-immigrant
Incorporated	421,000	557,000	405,000	**440,000**	327,000	408,000	353,000	319,000	1,159,000
Un-incorporated	96,000	142,000	45,000	**98,000**	66,000	51,000	45,000	49,000	66,000
All businesses	252,000	249,000	149,000	**230,000**	138,000	138,000	158,000	110,000	349,000

Source: CEEDD

As indicated in Table 5.4, the gross business income varies significantly depending on whether the business is incorporated or not, with incorporated business constantly having higher income than unincorporated businesses across the groups considered. Gross business income of incorporated businesses of BIs ($440,000) is about 4.5 times higher than for un-incorporated businesses ($98,000). Within BIP, ENs' incorporated businesses have 4.4 times the income of unincorporated businesses, SEs' have about 4 times and INs' about 9 times. The difference between income of incorporated businesses ($1,159,000) and un-incorporated businesses ($66,000) is the highest for non-immigrants with incorporated businesses having over 17 times[33] the income of an un-incorporated business.

As such, incorporation status has a significant impact on gross business income. As discussed later in this sub-section, CEEDD information indicates that some of the businesses owned by BIs (39.2%) are incorporated. Given that incorporated businesses have substantially higher gross income and that the IMDB does not capture information on incorporated businesses, the IMDB figures presented on gross self-employment income would underestimate business revenues of all BIs.

In addition to the two previous sources of data, the BIP survey also gathered information on gross and net annual incomes of businesses established. The average annual gross business income for the first business established by BIs was reported as $151,258, and the average annual net business income was $33,716. The gross income of the business is consistent with gross self-employment income reported by IMDB data on the first years following admission for federal BIs. However, there are differences when looking at net figures: while the survey asked about the net income for the business, the IMDB indicates net figures for individuals.[34] As such, higher figures reported in the survey can reflect the fact that some BIs may have partners with whom they are sharing the profits of the business.

Survey and IMDB data also differ in terms of the amounts reported across BIP classes. While ENs generally reported the lowest gross self-employment income and SEs the highest in the IMDB, the trend is reversed when considering survey results. Survey results indicate that the first business established by ENs have the highest gross annual incomes ($194,823) compared with $100,668 for IN businesses and $96,500 for SE businesses.

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[33] Derived by dividing the average gross business income of incorporated businesses by the average gross business income of un-incorporated businesses (1,159,000 / 66,000 = 17.56)

[34] The IMDB information provides net individual self-employment income. The question asked in the survey captured similar information (net business income) at the business level (rather than individual), as a way to complement IMDB information.

In addition to self-employment income from their business, the BIP survey showed that, of those BIs who had established businesses, 51.2% said they received a paycheck from their first businesses. The proportions vary from 57.5% for ENs, to 30% for SEs and 50% for INs. For those who said they received income from their businesses, they reported an average income of $40,754 for all BIs, $35,488 for ENs and $48,128 for INs. The sample size was too small to provide average income for SEs.

Summary: Overall, income from self-employment differs depending on the source of data used. IMDB provides a different picture than when using CEEDD data or the survey of BIs. These discrepancies can largely be explained by the difference in business income between incorporated and un-incorporated businesses. While IMDB does not account for income of incorporated businesses, incorporated businesses were included in CEEDD and survey analysis. In the IMDB, ENs and SEs tend to be engaged in self-employment activities that generate smaller income (both gross and net), while CEEDD and survey data indicate that ENs have higher income than other BIP classes. However, notwithstanding the data sources and measures used, ENs and BIs more generally have gross self-employment income averaging $200,000, which seem to indicate that they are involved in smaller businesses than the non-immigrant population.

Profile of business activities

In addition to income from businesses, the BIP survey gathered information about the number of businesses owned by BIs, how the business was acquired, role of immigrants in managing the business, partnership and ownership share, financial investment in the business, the field of operations of the business and job creation. The CEEDD also featured similar types of information regarding the nature of business activities undertaken by BIs, such as incorporation status, business and industry type and number of employees.

The following sub-section will discuss the nature of business activities of BIs based on these data, with particular attention given to ENs as they have specific conditions to meet regarding business ownership.

Number of businesses owned

As mentioned earlier, survey findings indicate that very few ENs (5.6%) reported not having been involved in any businesses since being admitted to Canada: 76.7% of ENs surveyed said they had created one business, and an additional 17.6% said they had created several businesses. Of those who had reported business activities, the average number of businesses owned by ENs was 1.23.

As per their terms and conditions, the majority of the ENs who created, owned or invested in businesses reported having done so within their first three years in Canada (between 81% and 100% depending on the cohort) and 85.6% of those ENs reported still being involved in their first business at the time of the survey in 2013. Those who reported no longer being involved in their first business indicated keeping it, on average, for 3.3 years (compared to 4.6 years and ongoing for those who were still involved in their first business at the time of the survey). The following reasons were cited by ENs for no longer being involved in their first business: difficult economic conditions (42.2%), business closed down (31.4%), and personal or family obligations (18.4%).[35]

While survey results indicate that proportionately less INs owned businesses than ENs, those who had done so between admission and the time the survey was conducted in 2013 reported having been involved in more businesses (1.43 on average) than ENs (1.23) or SEs (1.19). The percentage of SEs and INs still involved in their first business was also slightly higher (95% and 89.7% respectively) compared to ENs (85.6%). The differences between the three classes on these aspects were, however, not statistically significant.

When considering different admission cohorts, CEEDD information shows similar trends regarding business ownership in 2009. BIs who were involved with businesses owned an average of 1.4 businesses in 2009, representing 1.5 businesses for EN, and 1.4 for both SEs and INs. BIs were involved in more businesses than their FSW and PN counterparts (an average of 1.3 and 1.2 respectively for those who owned at least one business) and non-immigrants who owned, on average, 1.1 businesses.

Business activities indicated by CEEDD also started early following admission. ENs became involved in incorporated businesses they had in 2009[36] shortly after admission; 75.2% had started being involved in that incorporated business within 3 years of admission. In comparison, 48.1% of SEs and 68% of INs had started being involved in their 2009 incorporated business within 3 years of admission.

Business creation

The survey not only collected information on the number of businesses owned by BIs, but also looked into whether those businesses were created by BIs, or whether BIs had acquired existing businesses.[37] For the first business they were involved in, survey results indicate that many ENs (69.2%) reported having created the business rather than having acquired or invested in an existing one (30.8%) and the majority (94%) of them reported having actively participated in the management of that business on an on-going basis. On average, ENs said they had made an initial investment to purchase or start their first business of $151,285, for a total investment between starting the business and time of the survey averaging $307,276.

Ownership share

As per the BIP survey, the majority of ENs (78.7%) reported owning 100% of their enterprise. On average, they reported owning 89.3% of the shares of their first business.

Statistically significant differences exist between BIP classes in terms of ownership share. More ENs reported being the sole owner of their business (78.7%), compared to SEs (66.7%), and INs

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[35] The remaining information presented in this sub-section will discuss information for ENs first business in Canada, as the majority of those surveyed had only been involved in one business and were still part of that business when the survey was conducted, or were involved in their first business for a significant amount of time, for those who had stopped being involved.

[36] This information was only available for incorporated businesses, and is only based on admissions from 2000 to 2009. The horizon for un-incorporated businesses was too short to be considered; the business number that allows tracking of businesses over time was only available starting from 2005 for un-incorporated business, which would have greatly limited this analysis.

[37] One issue the evaluation sought to examine was the extent to which 'business flipping' for the purpose of meeting the Ts&Cs was happening. The survey looked into this aspect through a question about business creation versus acquisition.

(40%). As a result, ENs reported owning on average a higher proportion of the shares in their business (89.3%) compared to INs (71.7%).

Incorporation status

The CEEDD information shows that most (60.8%) of the businesses operated by BIs were un-incorporated, while 39.2% were incorporated. A larger share of the businesses operated by SEs (73.1%) and INs (70.2%) were un-incorporated, when compared to those of ENs (51.6%). In comparison to BIs (and ENs in particular), a higher share of the businesses owned by FSWs (72.3%), PNs (75.4%) and non-immigrants (73.6%) were un-incorporated.

Types of business activities for un-incorporated businesses

Un-incorporated businesses may report the following type of incomes: rental, business and professional, farming and fishing as well as commission. As per CEEDD data (see Table 5.5), main business types for the un-incorporated businesses of BIs were 'Business and Professional' (44.5%) and 'Rental' (41.8%). 'Rental' was the main type of business for INs (63.1%), while it was 'Business and Professional' for ENs (52.2%) and SEs (42.9%). 'Farming and fishing' accounted for a small proportion of unincorporated businesses of ENs and INs (1.6% and 0.8% respectively), but were the second type in importance for SEs (27.9%).

Table 5.5: Business types for un-incorporated businesses by immigrant classes and status

Business Types	ENs	SEs	INs	BIs - Federal	BIs - Quebec	FSWs	PNs	Total - Immigrant	Non-immigrant
Rental	2,022	809	1,518	**4,347**	2,449	30,614	809	84,769	1,118,659
	(41.0%)	(26.4%)	(63.1%)	**(41.8%)**	(53.9%)	(34.1%)	(26.7%)	(29.1%)	(32.2%)
Business and professional	2,574	1,314	740	**4,627**	1,740	51,793	1,845	182,634	1,877,674
	(52.2%)	(42.9%)	(30.7%)	**(44.5%)**	(38.3%)	(57.7%)	(60.9%)	(62.8%)	(54.0%)
Farming and Fishing	77	854	20	**951**	48	292	220	2,622	322,436
	(1.6%)	(27.9%)	(0.8%)	**(9.1%)**	(1.1%)	(0.3%)	(7.3%)	(0.9%)	(9.3%)
Commission	260	86	129	**475**	308	7,018	154	20,842	155,996
	(5.3%)	(2.8%)	(5.4%)	**(4.6%)**	(6.8%)	(7.8%)	(5.1%)	(7.2%)	(4.5%)
Total	4,933	3,063	2,407	**10,400**	4,545	89,717	3,028	290,867	3,474,765
	(100%)	(100%)	(100%)	**(100%)**	(100%)	(100%)	(100%)	(100%)	(100%)

Source: CEEDD

Un-incorporated businesses owned by non-immigrants were of similar types: 'Business and Professional' also accounted for most of the un-incorporated businesses owned by non-immigrants (54%), while 'Rental' accounted for another 32.2%.

Industry type

The BIP survey asked about the types of activities undertaken by the businesses, and found that 28.7% of ENs reported their first business to be in the 'retail trade' classification[38]. The 'accommodation and food services' classification accounted for 16.6% of ENs first businesses and the 'wholesale trade' classification accounted for 10.9% of ENs first businesses. The balance of business types covered a wide range of categories.

ENs and INs were similar in terms of the types of activities undertaken by the businesses. INs were also highly represented in the 'retail trade' classification (22.4%) and in the 'accommodation and food services' classification (16.1%). Types of activities were quite different for SEs. 47.4% had established businesses in the 'agriculture, forestry, fishing and hunting' classification.

CEEDD data shows somewhat different information as to the industry in which BIs operate businesses (see Table 5.6). It indicates that businesses (incorporated and unincorporated) operated by BIs were most predominantly in real estate and rental leasing (29.5%), retail trade (10%) and agriculture (8%). Businesses operated by INs were most predominantly operating in real estate and rental leasing (48.8%). Businesses operated by ENs were often in real estate and rental leasing (25.6%) as well as retail trade (14%). Businesses of SEs were most often in the agriculture industry (28.8%) and real estate and rental leasing (22.4%). Real estate and rental leasing was also where most of the businesses owned by non-immigrants operated (27.9%), while the second industry type was in the area of professional, scientific and technical services (10.6%). In addition to not being predominantly involved in the same industry types, non-immigrants appear to be less concentrated in a few industries, when compared to BIs who tend to cluster more around certain industries.

Table 5.6: Top 10 industry types by immigrant classes and status

Industry Types	ENs	SEs	INs	BIs - Federal	BIs - Quebec	FSWs	PNs	Total - Immigrant	Non-immigrant
Real estate and rental leasing	2,444	928	1,672	**5,039**	2,767	35,292	905	96,895	1,315,894
	(25.6%)	(22.4%)	(48.8%)	**(29.5%)**	(38.2%)	(28.4%)	(22.5%)	(25.8%)	(27.9%)
Retail trade	1,334	198	179	**1,710**	642	9,041	292	25,454	260,051
	(14.0%)	(4.8%)	(5.2%)	**(10.0%)**	(8.9%)	(7.3%)	(7.3%)	(6.8%)	(5.5%)
Agriculture	130	1,197	34	**1,361**	97	623	271	4,486	426,001
	(1.4%)	(28.8%)	(1.0%)	**(8.0%)**	(1.3%)	(0.5%)	(6.8%)	(1.2%)	(9.0%)
Administrative, Waste and Remediation Services	661	209	202	**1,072**	463	10,920	310	40,815	352,441
	(6.9%)	(5.0%)	(5.9%)	**(6.3%)**	(6.4%)	(8.8%)	(7.7%)	(10.9%)	(7.5%)
Professional, Scientific and Technical Services	531	244	251	**1,022**	502	23,288	245	45,937	499,291
	(5.6%)	(5.9%)	(7.3%)	**(6.0%)**	(6.9%)	(18.8%)	(6.1%)	(12.2%)	(10.6%)
Wholesale trade	761	93	154	**1,006**	361	3,254	78	8,108	87,439
	(8.0%)	(2.2%)	(4.5%)	**(5.9%)**	(5.0%)	(2.6%)	(1.9%)	(2.2%)	(1.9%)

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[38] Survey respondents were asked to report the main type of activity for their business, as per the North American Industry Classification System (NAICS, 2 digit code).

Industry Types	ENs	SEs	INs	BIs - Federal	BIs - Quebec	FSWs	PNs	Total - Immigrant	Non-immigrant
Accommodation and Food Services	746	120	96	**956**	347	2,492	142	8,222	72,147
	(7.8%)	(2.9%)	(2.8%)	**(5.6%)**	(4.8%)	(2.0%)	(3.5%)	(2.2%)	(1.5%)
Construction	451	225	131	**801**	269	5,621	470	23,289	343,895
	(4.7%)	(5.4%)	(3.8%)	**(4.7%)**	(3.7%)	(4.5%)	(11.7%)	(6.2%)	(7.3%)
Other Services (except Public Administration)	427	98	53	**577**	206	3,082	145	13,564	209,269
	(4.5%)	(2.4%)	(1.5%)	**(3.4%)**	(2.8%)	(2.5%)	(3.6%)	(3.6%)	(4.4%)
Health Care and Social Assistance	156	96	85	**337**	128	4,216	122	27,669	277,284
	(1.6%)	(2.3%)	(2.5%)	**(2.0%)**	(1.8%)	(3.4%)	(3.0%)	(7.4%)	(5.9%)
Other industries	994	525	251	**1,767**	530	16,393	628	55,705	690,715
	(10.4%)	(12.6%)	(7.3%)	**(10.3%)**	(7.3%)	(13.2%)	(15.6%)	(14.8%)	(14.6%)
Missing	919	219	318	**1,448**	936	9,831	406	25,991	187,621
	(9.6%)	(5.3%)	(9.3%)	**(8.5%)**	(12.9%)	(7.9%)	(10.1%)	(6.9%)	(4.0%)
Total	9,554	4,152	3,426	**17,096**	7,248	124,053	4,014	376,135	4,722,048
	(100%)	(100%)	(100%)	**(100%)**	(100%)	(100%)	(100%)	(100%)	(100%)

*NOTE: The 10 industries presented are based on the industry distribution for the Federal BIs.
Source: CEEDD

Employees

According to the BIP survey, ENs reported being involved in small size businesses; 98.2% of the first EN businesses employed 10 employees or less, excluding the EN. Close to half (45%) of those businesses employed family members of the EN in the business. The BIP survey also investigated the extent to which ENs created jobs for people other than themselves or members of their family. The average number of jobs created by ENs in their businesses was reported to be 1.97. About one quarter (23.7%) created one new job and 28.5% said they had created 2 or more jobs. Almost half (47.7%), however, did not report creating a job.

Regarding the number of employees, all SEs' first businesses employed less than 5 people and 90.9% of INs' first business had 10 employees or less.

CEEDD data also shows that BIs operate relatively small businesses. On average, businesses operated by BIs have 1.7 employees in the businesses, with businesses operated by ENs having the most employees (2.3 on average, compared to 1 for INs and 0.9 for SEs). In comparison, businesses operated by non-immigrants are slightly larger in size, with an average of 2.2 employees.[39]

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[39] Size of firm is defined based on the number of employees of the firms. The number of employees is calculated by linking T4 to T2 and T1 business file. If there is no link between T1/T2 business and T4, then the employment is missing. Most likely these firms have no employment. However, it may be possible in some cases that firms report different BN from T4 due to change of legal status, ownership etc, in which case the two cannot be matched. As missing employment values were set at 0, it was not possible to distinguish between missing employment and cases where the actual number of employees is known to be 0.

NOC level of positions created

Survey data indicates that the top three skill level requirements for the FTE positions created by ENs required on the job training (NOC D – 49%), secondary school and/or occupational training (NOC C - 36%), and management skills (NOC 0 – 21%). The top three occupational fields for those positions were sales and services (56%), business, finance and administration (23%) and trade transport and equipment operators and related occupations (16%).

Terms and conditions

Overall, the survey responses related to the terms and conditions[40] indicate that 58% of the ENs met their Ts&Cs with their first business, and that an additional 2.4% who did not meet the Ts&Cs with their first business met the requirements with their second business.

Although survey results indicate that about 40% of ENs did not meet the TS&Cs of the program, most at least partially met them. When limiting the analysis on ENs first business only,[41] the majority (94.4%) of the ENs reported having owned a business in Canada. They also reported, for the most part, being the sole owner of their business (78.7%) and to be actively involved in the management of the business on an ongoing basis (94%). Less ENs however complied with the job creation requirement of the program, with almost half (47%) reporting not having created a job in their business.

Perception of the terms and conditions

EN survey respondents were asked to provide their perception of the Ts&Cs. Overall, they found the requirements to manage and own a business (73%) and to create an FTE position (79.4%) within three years to be realistic. However, ENs were generally split in terms of whether they thought the requirements of the program restricted them from effectively starting their business. Close to half (47.6%) of the ENs indicated that the program requirements had limited them in starting up their business. Of those who responded negatively towards the Ts&Cs, many indicated that it was because of the time constraint imposed on creating a business and that they needed more time to establish the business following their admission to Canada. Despite that, the majority of ENs surveyed (78.4%) still believed they would have started the same type of businesses even without the Ts&Cs.

Summary: Overall, the profile of the business activities of BIs demonstrated that they (especially ENs) are often the sole owner of their business, their businesses employed few employees, and are concentrated in a few industries. INs demonstrated the highest concentration of business activities in one industry, with almost half of business activities appearing in CEEDD classified under real estate and rental leasing. In addition, BIs most often own un-incorporated businesses, although ENs differ as they equally own un-incorporated and incorporated businesses. Un-incorporated businesses of BIs are most often related to rental, business or professional services. ENs create or acquire businesses usually shortly following admission and a significant share (60%) is successful in meeting all the requirements of the program.

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[40] Survey respondents were asked questions about businesses owned and when it was acquired, ownership shares, involvement in the business management and the number of FTE positions created. This information was analyzed, for ENs who had been in Canada for at least three years, to determine the share of ENs who had met the program's Ts&Cs.

[41] The following statistics is based on any EN who has been in the country from a few months up to 5 years.

5.1.3. Investment capital mobilized through the IIP

Finding #11: IIP investment funds allowed for limited investments in economic development; about 30% of the funds were actively invested by P/Ts.

INs, prior to their admission to Canada, were required by the program to make a one-time refundable investment to be granted permanent residence. Given the different expected outcomes associated with the IN class, the following section examines the investment capital mobilized through the IIP. It discusses how this money was distributed among participating P/Ts and how P/Ts invested it for the purpose of economic development.

INs are asked to make a one-time capital contribution of $400,000 (for those who applied prior to 2010) or $800,000 (for post-2010 applicants) to Canada in the form of a 5-year loan that is refundable without interest at the end of the term. These capital contributions made by INs are redistributed to the P/T funds for investment in economic development. The *IRPR* state that these P/T funds should use monies received for the purpose of creating or continuing employment in Canada to foster the development of a strong and viable economy. The IN capital fund approach was redesigned in 1999 following consultations with the provinces/territories. Under the new design, there were no specific requirements for the proportion of the capital that had to be placed in active investment. This represented a change from the pre-1999 arrangements that required 70% of the capital to be placed in active investments.[42] This was done to allow participating P/Ts to maintain a balanced portfolio of investments with varying term lengths and levels of risk. Although it was not required to invest 70% of the capital in active investment anymore (as per the 1999 arrangements), the aim was for P/Ts to maintain a balanced portfolio of both shorter term, more secure investments and direct, longer term investments in job creation activities. As such, the intent was that P/Ts would invest directly in economic activities that created or allowed for the continuation of employment.

For comparison purposes, this section looks at investment capital raised through both the federal and Quebec investor programs. From 2007 to 2011, $6.42B of investment capital was raised through the two IIPs combined. The amount of investment funds available from the federal IIP for distribution to the provinces is a direct function of the number of investor immigrants admitted under the federal program. From the annual targets for all business immigrants, including both the federal and Quebec BIP, 41.6% of investor immigrants entered under the federal IIP between 2007 to 2011. The amount of investment funds available from the federal IIP for distribution to the provinces is a direct function of the number of investor immigrants admitted under the federal program; the rest of the IIP funds investments made by investors under the Quebec program go directly to Quebec to account for the number of immigrant investors it selected. As such, less than half of that amount ($2.67B) was raised through the federal IIP (See Table 5.7).

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[42] Section 92(f) of the IRPR states that Immigrant Investor Program Fund provincial allocations be used "for the purpose of creating or continuing employment in Canada to foster the development of a strong and viable economy." Provinces are allowed to determine how to use IIP funds to generate employment in their economies most effectively, allowing for a balance of shorter-term secure investments (such as provincial government bonds) and longer-term active investments in job-creation activities, such as extending loans to businesses, or for private or public sector infrastructure improvements. However, provinces are not allowed to use IIP funds for general government programming, and are required to place investments directly and to report on the number and type of jobs created as a result of these investments.

Table 5.7: Investment capital raised by IIP programs, 2007 to 2011

Year	Federal IIP Investment capital raised	Quebec IIP Investment capital raised	Total investment capital	% of investment from Federal IIP
2007	$ 392,000,000	$ 680,000,000	$ 1.072B	36.6%
2008	$ 570,400,000	$ 580,000,000	$1.15B	49.6%
2009	$ 523,600,000	$ 720,000,000	$1.24B	42.2%
2010	$ 681,200,000	$ 920,000,000	$1.60B	42.6%
2011	$ 504,400,000	$ 848,800,000	$1.35B	37.4%
Total	**$2.67B**	**$3.75B**	**$6.42B**	**41.6%**

Source: CIC, NHQ - Immigration, and Ministère de l'immigration, de la Diversité et de l'Inclusion (MIDI).

The formula for distribution of these investment funds to the provinces is not related to the numbers of investors destined for each province. The formula includes two criteria: (1) one half of the federal IIP funds are divided equally among the participating provinces/territories, and (2) the other 50% is distributed based on the proportion of total GDP in each province/territory. The structure of this formula helps to ensure that smaller provinces/territories receive a somewhat larger amount of the federal IIP funds than would occur based on single demographic or economic criteria.

The amounts transferred to P/T Funds are net of commissions paid to 'approved facilitators' (financial institutions) that provide administrative services to transfer the investments to CIC. Note that during the key informant interviews, the financial institutions stated that most INs borrowed money from those institutions to cover their five-year capital investments. The full interest costs to finance these loans are pre-paid by INs to the financial institutions when the loans are issued. Commissions on the pre-2010 $400,000 investment amount were $28,000 and $40,000 on the post-2010 $800,000 investment amount. The P/T Funds repay the full amount to CIC at the end of the 5-year term, including commissions, which may be equated to the P/T Funds' cost of borrowing the capital. This cost is equivalent to a compound interest rate of about 1.5% per annum for 5 years for the $400,000 investments and 1.1% per annum for the $800,000 investments. The P/T Funds would be expected to cover their cost of borrowing from returns earned on their investment activities.

The P/Ts IIP fund reports received by CIC showed that, of the $2.67B raised though the federal program, $2.483B of IN investment funds were transferred to participating P/T funds as 5-year loans after commissions have been deducted, with Ontario (41.9%) and British Columbia (14.3%) receiving the highest amounts (Table 5.8).

Table 5.8: Summary of federal IIP allocations of investment funds by province/territory, 2007-2011

Province/Territory	Year began participating	Investment funds allocated 2007-2011	
Newfoundland & Labrador	2005	$233,531,721	9.4%
Prince Edward Island	2000	$198,867,196	8%
Nova Scotia*	2008	$186,182,196	7.5%
New Brunswick*	2010	$48,032,642	1.9%
Ontario	2000	$1,039,724,748	41.9 %
Manitoba	2004	$262,813,725	10.6%
Saskatchewan*	2010	$50,025,111	2%
British Columbia	2001	$365,820,161	14.3%
North West Territories*	2003	$106,973,240	4.4%
Total Allocations	-	**$2,483,979,999**	**100%**

*NOTE: The highlighted jurisdictions did not receive allocations in all 5 years considered (2007-2011).
Source: CIC NHQ-Immigration, 2013

The P/T reports on the use of the funds also showed that of the total amount transferred to P/Ts, only $751.8M was allocated to active investments for 5 years (such as business loans, infrastructure projects and venture capital funds). This represents approximately 30% of the total IN funds transferred to the P/T funds from 2007 to 2011. The balance of the capital is held in a combination of interest-earning investments (such as bonds) and cash equivalents to ensure liquidity for loan repayment to CIC by the P/T funds.

The share of funds that was actively invested increased over the years considered, never exceeding a third of the amount being actively invested. A CIC analysis[43] has demonstrated that in 2008, only 11% of the total IIP capital was actively invested in economic development projects (6% in infrastructure projects and 5% in loans to SMEs), and that by 2011, 33% of the total IIP capital was actively invested (23% in infrastructure projects, 9% in loans/grants to SMEs and 1% in venture capital projects).

Review of information submitted by the P/T funds to CIC on investments of IIP funds from 2007 to 2011 shows that the proportions invested in active investments vary across the provinces depending on their investment strategies. The share of funds that were actively invested is strongly influenced by figures from Ontario (41.9%) since it received a major portion of the federal IIP funds, and the Ontario fund was not undertaking 'active' investments during the period from 2007 to 2011.

Based on data reported to CIC by the P/T funds, a total of 10,781 FTEs were created through these P/T fund investments.[44] However, as P/Ts did not submit reporting to the extent required under section 95 of the *IRPR*, it reduced the ability of the evaluation to explore the nature and type of positions created through the use of the funds.

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[43] CIC – NHQ Immigration, *Provincial Use of Immigrant Investor Program (IIP) Funds*, (internal working paper, provided April 4, 2013).

[44] It was not possible for the evaluation to determine whether these jobs would have been created or not in the absence of the IIP.

As agreed to with P/Ts during consultations on the program design, the aim was for P/Ts to hold a balanced portfolio of both shorter term, more secure investments and direct, longer term investments in job creation activities.[45] The review showed that, over the period considered, this balance was not achieved. As there was a limited proportion of the P/T funds (30%) that was actively invested between 2007 and 2011, if more had been invested actively, the impact on the development of a strong and viable economy may have been greater.

5.1.4. Post-admission investment

Finding #12: In addition to the IIP funds provided to P/Ts for economic development through the investor stream, many BIs have undertaken additional investment activities in Canada.

Investments made by BIs after their admission to Canada were also examined. Although there are no requirements for BIs in each of the three classes to carry out investment activities in Canada after being admitted, given the profile of these individuals, this may represent an important part of their economic establishment in the country and their impact on the Canadian economy.

Indeed, many BIs did invest, and as a result, drew a part of their income from investment.[46] The IMDB data show that many BIs declared investment income (incidence varying between 53.3% and 66.5%) (Table 5.9). Among BIs, INs have the highest incidence of investment income. One year after admission, 78.5% of INs, 63.8% of ENs and 55.3% of SEs declared investment income. Ten years after admission, incidence rates decreased to 68.7% of INs, 47.6% of ENs and 52.2% of SE declaring investment income.

Overall, BIs are more likely to declare investment income compared to FSWs (varying between 36.8% and 41%) and PNs (varying between 21.0% and 34.3%).

Table 5.9: Percentage of PAs declaring investment income by years since admission and immigration class

	Years Since Admission			
Class	Year 1	Year 3	Year 5	Year 10
ENs	63.8%	56.1%	50.5%	47.6%
SEs	55.3%	52.0%	50.3%	52.2%
INs	78.5%	80.3%	79.4%	68.7%
BIs - Federal	**66.5%**	**61.7%**	**57.7%**	**53.3%**
BIs - Quebec	70.8%	68.6%	65.1%	54.8%
FSWs	36.8%	39.9%	39.3%	41.0%
PNs	31.4%	34.3%	33.4%	21.0%

Source: IMDB

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[45] As per CIC guidelines on the use of funds (CIC – NHQ Immigration, *Immigrant Investor Program: Use of Funds by PTs).*

[46] Investment income is composed of capital gains/losses (net), dividends, interest and investment income. For more information on the definition of investment income and its components, see Appendix E.

Average investment incomes vary among the BIP classes as shown in Table 5.10. On average, federal BIs declare investment income ranging between $7,500 one year after admission and $10,300 ten years after admission. On average, INs declare the highest investment incomes among BIs (with investment incomes ranging between $11,100 and $12,000) and ENs the lowest (with investment incomes ranging between $5,300 and $8,600).

Investment income amounts declared by BIs are generally higher than those declared by PNs (ranging between $5,400 and $9,200) and FSWs (ranging between $2,000 and $4,500).

Table 5.10: Average investment income of PAs by years since admission and immigration class

	Years Since Admission			
Class	Year 1	Year 3	Year 5	Year 10
ENs	$5,300	$6,000	$6,800	$8,600
SEs	$6,000	$6,600	$7,200	$11,800
INs	$11,100	$12,000	$11,300	$12,000
BIs - Federal	**$7,500**	**$8,200**	**$8,400**	**$10,300**
BIs - Quebec	$7,800	$9,000	$8,700	$9,700
FSWs	$2,000	$2,300	$2,800	$4,500
PNs	$5,400	$7,700	$9,200	$2,600

Source: IMDB

The BIP survey also provided information on investment in Canada. It gathered self-reported information on the incidence and amounts of investment (but did not collect data on income from investments). Survey results indicate that 50.1% of BIs who were admitted from 2007 to 2011 said they had made investments in businesses, real estate or other types of investment in Canada by the time the survey was conducted in 2013. Statistically significant differences were found in the proportion of each BIP class that report having invested after being admitted to Canada, with 79.2% ENs reporting making investments compared with 63%% of SEs and 44.7% of INs.

These findings differ from what was found through IMDB analysis, where INs declared the highest incidence of investment income over time when compared to other BIP classes and ENs the lowest. These differences can be explained by the fact that different concepts are measured by the two data sources. While the survey asked about any investments that were undertaken by BIs since coming to Canada as a permanent resident, the IMDB indicates the proportion of individuals reporting investment income[47] over time.

Survey results indicate that of those BIs who reported having invested, 40% said they had invested in businesses. This represented 81.9% of ENs, 30.4% of INs and 17.9% of SEs (Table 5.11). In addition, 54.4% of BIs said they had invested in residential or commercial real estate, including 71.4% of SEs, 58.9% of INs and 32.5% of ENs. As well, 28.9% of BIs said that had other types of investment (12.0% of ENs, 28.6% of SEs and 33.7% of INs). Statistically significant differences were found for the types of investment undertaken by the different BIP classes.

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[47] Investment income can be the result of interest accumulated from various investments in stocks or bonds or from capital gains/losses, but could also include income coming from dividends an individual may receive from their business and not directly resulting from investment activities per se. In addition, the incidence of investment and amount invested may vary across cohorts and tax years, and may account for some of the differences encountered. This level of detail in investment over time could not however be achieved through the survey.

Table 5.11: Types of investments in Canada by BIP classes

Types of Investments	ENs	SEs	INs	BIs - Federal
Any type of Investment	84	28	306	418
	79.2%	63.6%	44.7%	50.1%
Investments in Businesses (private equity and venture capital)	68	5	91	164
	81.9%	17.9%	30.4%	40.0%
Real Estate (residential or commercial)	27	20	176	223
	32.5%	71.4%	58.9%	54.4%
Other Financial Investments (such as stocks, bonds, funds, etc.)	10	8	100	118
	12.0%	28.6%	33.7%	28.9%

Source: BIP Survey

The average investment amount for all BIs who reported investments after being admitted to Canada was $834,886. However, the amounts invested varied significantly between the classes, with an average investment of $392,064 for SEs, and $417,307 for ENS, while the average investment was over 1 million for INs ($1,060,000).

5.1.5. Employment income

Finding #13: As expected, BIs have lower incidence of employment income and declare on average lower amounts than their FSW and PN counterparts.

Incidence and average employment income

The IMDB data show that less than 40% of BIs declare employment income[48] over the years (Table 5.12). Based on these data, incidence rates for BIs are highest for ENs (between 36.4% and 43.9%), and lowest for INs (between 26.5% and 32.5%).

BIs have lower incidence rates of employment income compared with FSWs and PNs, and rates for BIs increase only slightly over time. FSWs and PNs have twice higher rates of declaring employment income (over 80% for the PNs and 75% for FSWs) than BIs (less than 40% report employment income). This pattern is consistent with expectations for the different economic classes, where FSWs and PNs are expected to undertake paid employment once in Canada, as opposed to ENs and SEs who are expected to focus on self-employment and business creation.

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[48] For more information on how employment income is defined, see Appendix E.

Table 5.12: Percentage of PAs declaring employment income by years since admission and immigration class

	Years Since Admission			
Class	Year 1	Year 3	Year 5	Year 10
ENs	36.4%	43.9%	42.1%	41.7%
SEs	35.1%	37.8%	38.4%	36.1%
INs	29.4%	32.5%	31.0%	26.5%
BIs - Federal	**34.0%**	**39.4%**	**38.4%**	**37.1%**
BIs - Quebec	35.9%	40.5%	39.4%	35.4%
FSWs	75.4%	77.1%	77.5%	75.0%
PNs	86.8%	83.0%	81.9%	86.6%

Source: IMDB

Average employment income of BIs varied between $20,900 one year after admission and reached $29,600 after ten years in Canada (Table 5.13). Among federal BIs, the SEs declare the highest employment income (ranging between $25,700 and $32,800), and ENs the lowest (ranging between $17,600 and $30,100).

Average employment income for BIs are also lower than for FSWs and PNs. BIs' employment income were about half those of FSWs and PNs. Comparatively, FSWs earned $61,000 and PNs $41,800 after having been in the country for 10 years.

Table 5.13: Average employment income of PAs by years since admission and immigration class

	Years Since Admission			
Class	Year 1	Year 3	Year 5	Year 10
ENs	$17,600	$21,100	$22,900	$30,100
SEs	$25,700	$26,800	$29,300	$32,800
INs	$23,400	$23,500	$23,200	$22,500
BIs - Federal	**$20,900**	**$22,900**	**$24,500**	**$29,600**
BIs - Quebec	$19,800	$21,600	$22,900	$24,800
FSWs	$34,300	$43,800	$50.500	$61,000
PNs	$46,700	$50,800	$53,200	$41,800

Source: IMDB

5.1.6. Taxable income and taxes paid

Finding #14: Bls declare considerably lower personal taxable income than FSWs and PNs, and as such paid substantially less personal income taxes.

Earlier sub-sections presented information on the incidence and income drawn by BIs from self-employment, investment and employment activities separately. While informative on the different activities undertaken by BIs, it does not provide overall information as to their taxable income and their personal contribution to the tax system. This is what this sub-section achieves.

The IMDB provides information on taxable incomes of immigrants[49]. These data show that, among federal BIs, ENs had the lowest taxable income in the first 5 years after admission, while it is the investors who declare the lowest amounts in year 10. After 10 years in Canada, INs declared taxable income of $15,800 while ENs declared $19,200 and SEs $22,100 (Table 5.14).

Based on the IMDB data, the evaluation indicates that BIs generally have less than half the taxable incomes of FSWs and PNs. Further, the taxable income of BIs increases at a slower pace than that of FSWs. Over 10 years, taxable income of BIs increased by 28%, while FSWs' income increased by 67% over the same time frame. As such, the difference between BIs and FSWs incomes increases over time. One year after admission, PNs declared on average $44,000 and FSWs $28,000 while federal BIs declared an average taxable income of $15,000. Ten years after admission, FSWs earned more than PNs ($46,800 vs. $37,900) while federal BIs still earned substantially less ($19,200).

Lower taxable income is a reflection of the type of income earned by BIs. BIs have higher incidence of self-employment and investment income than FSWs and PNs, and lower incidence rates of employment income as expected. As such, it is challenging to measure the income of the BIs and the actual level to which they are economically established compared to other immigrants. Unlike their economic immigrant counterparts who derive most of their income from employment, the primary sources of income for BIs are self-employment or investment income. Given all the deductions that can be made through self-employment and that investment income can be accumulated throughout the years and only taxed when consumed by the individual, actual income of BIs may amount to more than what is suggested by the taxable income they report.

Table 5.14: Average taxable income of PAs by years since admission and immigration class

	Years since admission			
Class	Year 1	Year 3	Year 5	Year 10
ENs	$ 12,100	$ 15,400	$ 15,900	$19,200
SEs	$ 16,500	$ 18,300	$ 19,600	$22,100
INs	$ 18,500	$ 19,500	$ 18,200	$15,800
Bls - Federal	**$ 15,000**	**$ 17,200**	**$ 17,300**	**$19,200**
BI - Quebec	$ 15,300	$ 17,600	$ 17,300	$17,300
FSWs	$ 28,000	$ 35,300	$ 40,200	$46,800
PNs	$ 44,000	$ 47,000	$ 49,200	$37,900

Source: IMDB

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[49] For more information on how taxable income is defined, see Appendix E.

Reflective of the lower taxable income of BIs, the IMDB data show that BIs pay lower personal income taxes[50] than FSWs and PNs although the amount of personal income taxes paid by ENs and SEs generally increases with years since admission (Table 5.15).

Table 5.15: Average personal income tax paid by PAs by years since admission and immigration class

	Years since admission			
Class	Year 1	Year 3	Year 5	Year 10
ENs	$ 900	$ 1,600	$ 1,800	$2,800
SEs	$ 2,300	$ 2,700	$ 3,000	$3,300
INs	$ 1,800	$ 2,000	$ 1,800	$1,400
BIs - Federal	**$ 1,500**	**$ 1,900**	**$ 2,100**	**$2,600**
BIs - Quebec	$ 1,200	$ 1,600	$ 1,800	$2,000
FSWs	$ 5,600	$ 7,600	$ 8,900	$10,900
PNs	$ 10,000	$ 10,900	$ 11,400	$7,800

Source: IMDB

Average personal income taxes paid by federal BIs vary between $1,500 on the first year after admission and $2,600 after ten years. In comparison, FSWs paid on average between $5,600 one year after admission and $10,900 ten years after admission, and PNs paid $10,000 and $7,800 for those years.

Among BIs, ENs and INs paid lower taxes in the fifth year after admission ($1,800) than SEs ($3,000). Ten years after admission, INs paid the lowest taxes ($1,400) compared with $2,800 for ENs and $3,300 for SEs.

5.1.7. EI and SA benefits received

Finding #15: Bls have low incidence of declaring EI and SA benefits and their rates are lower than for FSWs and PNs.

In addition to looking at the income earned from self-employment, investment and employment, the IMDB also provides information on the use of Employment Insurance (EI) and Social Assistance (SA)[51] to determine to what extent BIs are self-sufficient or relying on support.

Receipt of EI benefits is related to incidence of employment and payment of EI premiums through employment. Given the higher incidence of employment income among FSWs and PNs when compared to BIs, it could be expected that a higher proportion of these two groups would be eligible for EI benefits. As such, the Table 5.16 below shows that BIs have much lower incidence rates of receiving EI benefits than FSWs and PNs.

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[50] While the IMDB captures information on personal income taxes paid by BIs, BIs may also contribute to the tax system through corporate taxes perceived on their businesses. This information is, however, not available in the IMDB and could not be assessed for the evaluation. For more information on how personal income taxes paid are defined, see Appendix E.

[51] For more information on how Social Assistance and Employment Insurance benefits are defined, see Appendix E.

Table 5.16: Percentage of PAs who declared employment insurance benefits by years since admission and immigration class

	Years since admission			
Class	Year 1	Year 3	Year 5	Year 10
ENs	0.5%	1.3%	2.3%	2.9%
SEs	1.5%	3.9%	3.9%	3.4%
INs	0.5%	1.1%	1.4%	1.4%
BIs - Federal	**0.7%**	**1.9%**	**2.5%**	**2.7%**
BIs - Quebec	0.8%	2.1%	2.7%	3.4%
FSWs	6.7%	12.1%	11.6%	8.7%
PNs	9.7%	14.6%	14.1%	19.3%

Source: IMDB

Incidence rates of EI benefits for BIs vary between 0.7% and 2.7%, which is substantially lower than for FSWs (vary between 6.7 and 12.1%) or PNs (vary between 9.7 and 19.3%). Among federal BIs, SEs have somewhat higher incidence rates of receiving EI (up to 3.9%) than ENs and INs.

Table 5.17: Percentage of PAs who declared social assistance benefits by years since admission and immigration class

	Years since admission			
Class	Year 1	Year 3	Year 5	Year 10
ENs	0.4%	1.0%	1.8%	2.9%
SEs	1.5%	1.6%	1.4%	2.0%
INs	0.2%	0.3%	0.4%	1.1%
BIs - Federal	**0.6%**	**0.9%**	**1.3%**	**2.3%**
BIs - Quebec	0.4%	0.8%	1.0%	1.9%
FSWs	6.4%	4.0%	3.0%	2.7%
PNs	2.6%	1.7%	1.7%	0.8%

Source: IMDB

BIs also have very low rates of receiving SA benefits (Table 5.17). Incidence rates from one to ten years after admission range from 0.6 to 2.3%. Although also low, incidence rates for SA are higher for FSWs (ranging from 2.7% to 6.4%) and PNs (ranging from 0.8% to 2.6%) than for BIs.

5.1.8. Profile of income sources

Finding #16: Most BIs have incomes from one or more sources, and many have self-employment or investment as their main type of income.

The previous sub-sections discussed to what extent BIs draw their income from self-employment, employment and investments activities. This sub-section focuses on the composition of their income.

Most BIs have incomes from one or more sources. The IMDB data show that the majority of federal BIs (ranging between 82.4% and 88.4%) declare employment, self-employment and/or investment income from year one to year ten (Table 5.18). Among federal BIs, INs and SEs generally have higher incidence rates than ENs, who have the lowest rates (80.3% to 86.5%) over the ten years after admission.

Table 5.18: Percentage of PAs who declared employment, self-employment and/or investment income by years since admission and immigration class

	Years since admission			
Class	Year 1	Year 3	Year 5	Year 10
ENs	84.6%	86.5%	83.2%	80.3%
SEs	88.5%	90.2%	89.2%	87.3%
INs	88.2%	90.4%	89.9%	81.5%
BIs - Federal	**86.5%**	**88.4%**	**86.3%**	**82.4%**
BIs - Quebec	86.2%	88.6%	86.7%	81.7%
FSWs	87.8%	90.4%	91.2%	91.1%
PNs	95.8%	95.5%	96.0%	97.5%

Source: IMDB

Combination of income sources

To better understand the incomes of BIs, the evaluation looked at the different combination of types of revenues an individual may declare in a given year (see Appendix F, Table F-1). This analysis found that the most prevalent earnings profile among federal BIs is:

- to declare investment income only (from 35.5% one year after admission to 25.6% 10 years after); and
- to declare both investment and employment income (from 19.7% one year after admission to 16.6% 10 years after admission).

Most prevalent earnings profiles are the same for INs as for federal BIs. About half of INs only declare investment income (51.5% one year after admission to 45.8% 10 years after admission), and another significant share declares both employment and investment income (from 21.1% one year after admission to 16.1% 10 years after admission).

Although those two earnings profiles (investment income only / investment & employment income) are also the most common for ENs and SEs, immigrants admitted under those classes appear to be more diversified in their combinations of sources of income than INs.

Main source of income

As many BIs declare more than one type of income, the evaluation also wanted to better understand which of employment, self-employment or investment income provide the majority of the incomes declared by BIs (see Appendix F, Table F-2).

About 60% of BIs have self-employment or investment income as their main type of income over time, with the remaining 40% relying more heavily on income from employment. Among BIs, ENs are the ones who tend to rely more on employment as their main source of income (38.9% to 48.4% over time), while the majority of INs rely on investment as their main source of income (64.9% to 60.9% over time). SEs are more equally split in terms of their reliance on each of the three income type as main source of income. A significant share of them receives most of their income from self-employment (representing more than 35%) or from investment (about 25%), while another share receives most income from employment activities (representing more than 35%).

5.1.9. Summary

As a sign of BIs' economic establishment in Canada, the evaluation observes that very few rely on SA or EI and the majority report income from self-employment, investment or employment activities. However, their economic performance is lower than that of other economic classes. They declare considerably lower personal taxable income than FSWs and PNs, and as such pay substantially less personal income taxes. Given the different nature of the income reported by BIs (self-employment and investment income) as opposed to FSWs and PNs (employment income), it is difficult to directly compare the incomes of BIs to those of their other economic counterparts.

The BIP, through the initial investment made by INs and the self-employment activities undertaken by ENs, contributed to creating businesses and additional job opportunities for all Canadians. According to P/T reports on the use of funds, IN investment funds have resulted in active investment by P/T funds of $751.8M and creation of 10,781 FTEs. However, only about 30% of IN capital has been actively invested in the period from 2007 to 2011, and the economic impacts would have been greater if a higher share of the IIP funds had been invested. In addition, survey results indicate that about 60% of the ENs met the Ts&Cs associated with the program. As such, ENs also contributed to business and job creation.

In addition, BIs undertook investment and business activities in Canada beyond the requirement of the BIP, which further contributed to the expected outcomes of the program of creating businesses and additional job opportunities for all Canadians.

5.2. Interprovincial Mobility & Out-migration

To understand the extent to which the program resulted in additional job opportunities for all Canadians and whether the benefits of expanded economic development activities are shared across Canada, the following sub-section focuses on interprovincial mobility and out-migration of BIs.

Finding #17: The majority of federally selected BIs reside in their province of intended destination, with little interprovincial mobility occurring. In terms of out-migration, INs have the highest out-migration rates after 10 years in the country, but similar out-migration rates to FSWs and other BI classes in the first five years following admission to Canada.

Finding #18: **Investment funds are not distributed equitably across Canada. Among the federal funds, Ontario and British Columbia receive the highest share. Ontario and British Columbia are also benefitting the most from the economic activities BIs engage in (such as business and job creation) as most of the BIs settle in those provinces.**

5.2.1. Interprovincial mobility

The analysis of the mobility of BIs across Canada looked at the intended province of destination for BIs at time of admission and compared it to the actual province of residence in 2010[52]. Of the federal BIs who filed a tax report in 2010, the majority indicated at time of admission that they were intending to settle in British Columbia (44%) and Ontario (40.8%). In 2010, the portrait was similar, with 46.8% actually residing in British Columbia, 41.4% in Ontario and only 12% residing in other provinces or territories (Table 5.19).

Similarly, the distribution of the province of intended destination of FSWs and PNs remained relatively similar when comparing it to their respective distributions for the province of residence in 2010. Most of the FSWs were residing in Ontario (63%) or in British Columbia in 2010 (19.6%), while PNs were more spread around the country, with Manitoba and Saskatchewan hosting a significant share of them (46.8%). When comparing with the Quebec BIs, the situation was somewhat different. 47.3% of them had indicated, at time of admission, Quebec as their province of intended destination; 33.3% reported British Columbia and 17.6% reported Ontario as intended destination. Of all immigrants admitted between 1995 and 2010, only 16% of the BIs selected by Quebec were residing in that province, as reported in the 2010 income tax report, while the majority were established in British Columbia (50.7%) and Ontario (30.1%). As such, inter-provincial mobility was highest for this group.

Table 5.19: Province of intended destination and of residence of the 2010 tax filers - Federal BIs, FSWs and PNs admitted between 1995 and 2010

	ENs		Ses		INs		BIs - Federal (no CSQ)		BIs - Quebec (CSQ)		FSWs		PNs	
Province	Dest.	Res.	Dest.	Res.	Dest.	Res.	Dest.	Res.	Dest.	Res.	Dest.	Res.	Dest.	Res.
Atlantic	7,4	2,3	3,0	2,4	1,9	0,7	4,6	1,8	0,4	0,6	1,4	1,1	11,3	7,0
Quebec	1,3	2,3	0,9	1,7	1,5	1,4	1,3	1,9	47,3	16,0	-	2,7	-	0,5
Ontario	46,7	48,8	47,3	44,6	28,4	28,9	40,8	41,4	17,6	30,1	68,1	63,0	3,6	8,3
Manitoba & Saskatchewan	1,2	0,9	5,6	5,5	0,7	0,2	2,0	1,6	0,2	0,3	1,9	1,8	53,3	46,8
Alberta	7,6	6,2	11,5	11,1	3,5	2,9	7,1	6,1	1,2	2,1	8,7	11,2	15,2	17,2
British Columbia	35,6	39,1	31,0	33,6	64,0	65,8	44,0	46,8	33,3	50,7	19,8	19,6	16,2	19,6
Territories	0,1	0,1	0,6	0,7	-	-	0,2	0,2	-	-	0,1	0,1	0,4	0,4
Outside Canada		0,2		0,3		0,2		0,2		0,1		0,6		0,2
Total	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**

Dest.=Intended destination

Res.=Residence in 2010

Source: IMDB

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[52] The analysis of interprovincial mobility is done on all BIs, FSWs and PNs admitted to Canada between 1995 and 2010, and who filed an income tax report in 2010.

Comparatively, federal BIs engaged in little interprovincial mobility; most (83.4%) of them were still residing in their province of intended destination, with no significant difference between the BI classes. This rate is similar to what is observed for the FSWP (82.1%) and PNP (85.3%) (Table 5.20).

Table 5.20: Percentage of BIs, FSWs and PNs admitted between 1995 and 2010, residing and not residing in their province of intended destination in 2010

			Residing in intended dest.	Not residing in intended dest.	Total
Business Class - Federal (No CSQ)	ENs	n	10,090	2,465	12,555
		%	80.4	19.6	100.0
	SEs	n	4,970	860	5,830
		%	85.2	14.8	100.0
	INs	n	7,820	1,240	9,060
		%	86.3	13.7	100.0
	BIs - Federal	n	22,880	4,560	27,440
		%	83.4	16.6	100.0
FSWs		n	327,710	71,620	399,330
		%	82.1	17.9	100.0
PNs		n	40,580	6,970	47,550
		%	85.3	14.7	100.0

Source: IMDB

Despite the structure of the funding formula for sharing the funds across provinces (which ensures smaller provinces/territories receive a somewhat larger amount of the federal IIP funds than would occur based on single demographic or economic criteria), Ontario and British Columbia still receive the biggest share of the investment funds as indicated earlier in this section (i.e., 41.9% of the federal funds go to Ontario and 14.3% to British Columbia). These two provinces also benefit the most from the business and job creation by immigrants admitted under the EN program or through the other business classes, as they receive the biggest share of these immigrants. As a result, the provincial distribution of federal BIs indicates that although BIs settle across the country, Ontario and British Columbia are the two provinces that benefit the most from the program.

5.2.2. Out-migration

A study undertaken by CIC looked at out-migration[53] of immigrants admitted between 1995 and 2009[54], using IMDB data. This analysis allows comparisons between out-migration rate of ENs, INs, SEs, FSWs and PNs.

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[53] Out-migration can be defined as the reported emigration plus the estimated emigration and the other emigration. Reported emigration includes both those who declare they have left the country on the final tax form they submit and those who disappear for two years and at least one of the members of their arrival group declared that they have emigrated. Estimated emigration happens when an entire arrival group disappears within a window of two years without reporting it, or if a person fills out a tax form from outside the country and then subsequently

It shows that the different classes of BIs have similar out-migration rates in the first 5 years, although INs have lower out-migration rates in the first and third years after admission (1.4% and 4.2% after one and three years in Canada) when compared to ENs and SEs (2.1% for ENs and 2.2% for SEs after one year; 5.2% for ENs and 5.1% for SEs after 3 years), after which they start to surpass both of the remaining BI classes (10% for INs versus 9.0% for ENs and 9.1% for SEs after 5 years). After 10 years, INs out-migration rate is substantially higher than that of other BI classes (26.2% for INs versus 19.8% for ENs and 18.2% for SEs), surpassing them by over 6 percentage points (Table 5.21).

Table 5.21: Cumulative exit rates (%) by years since admission and immigration class, 1995-2009

	Years Since Admission			
Class	Year 1	Year 3	Year 5	Year 10
ENs	2.1%	5.2%	9.0%	19.8%
SEs	2.2%	5.1%	9.1%	18.2%
INs	1.4%	4.2%	10.0%	26.2%
BIs - Federal	**1.9%**	**4.9%**	**9.2%**	**20. 9%**
BIs - Quebec	1.3%	3.7%	8.7%	20.2%
FSWs	2.9%	5.8%	9.9%	19.2%
PNs	2.3%	3.9%	5.3%	5.3%

Source: IMDB

Results from this study also indicate that BIs have slightly lower out-migration rates than FSWs in the first three years following admission. However, after five years in Canada, rates are similar between BIs and FSWs, and after 10 years INs have the highest out-migration rate of all economic classes (26.2%), while ENs, SEs and FSWs out-migration rate remained below 20%. In comparison, out-migration rates of PNs are substantially lower; after 10 years following admission, only 5.3% of the PNs have left Canada.

The increasing rates of out-migration after five years (especially for INs) may indicate a relationship with obtaining citizenship (that is, that a share of these immigrants wait to obtain Canadian citizenship to move out of the country). As indicated by key informants when asked about program issues (further discussed in the next sub-section) as well as in a report from the Migration Policy Institute[55], BIs (and especially INs) use the program to obtain citizenship, as an insurance policy in the case of political or economic uncertainty in their home country, without having the intention to reside in Canada. Provincial nominees have the lowest out-migration rates, not reaching 5% for all years since arrival available for the analysis.

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disappears. The other emigration is the remainder of the observations. This methodology is consistent with what others have used when analyzing the Canadian Census, such as Chen (2009).

[54] As per the definition of out-migration, to be considered as having left the country, immigrants have to have disappeared for at least two consecutive years. As the last taxation year available in the IMDB was 2011 at the time CIC performed this analysis, it could not include immigrants from the 2010 cohorts as per population considered in other IMDB analysis presented in this report.

[55] Migration Policy Institute, Migration Information Source, *Top 10 Migration Issues of 2013*, (www.migrationpolicy.org/programs/migration-information-source/top-10-migration-issues-2013)

5.3. Unintended Impacts

Finding #19: In terms of unexpected results, there were two main program issues identified by interviewees and supported by the IMDB analysis, which related to residency: BI principal applicants not residing in Canada, and BIs selected by Quebec settling in other P/Ts in high numbers. Although this last issue is not about the federal BIP *per se*, it has impacts on the federal program. The first is on the levels allocation available for federal BIs. As Quebec is taking up a large share in the levels allocated to business immigration, the federal program is limited in the number of business immigrants it can admit in order to keep within the levels set by parliament. This subsequently has an impact on the federal IIP funds available to participating P/Ts, resulting from the number of federal BIP admissions.

Although an open ended-question was asked to identify any unintended impacts of the BIP, two types of program issues were frequently identified by key informants and case study interviewees.

The first area where interviewees perceived program issues relates to residency in Canada. Interviewees indicated that some PAs admitted as BIs use the program to obtain permanent residency (and eventually citizenship) for two main purposes: to establish their families permanently in Canada and to have an insurance policy to keep their options open in the case of political or economic uncertainty at home. As such, many PAs would still be residing and maintaining their activities abroad, while at the same time benefitting from Canadian services, without making significant contributions to the country.

The other area where program issues was identified by interviewees revolves around the settlement of a large number of Quebec-selected investors in P/Ts outside of Quebec. Although this issue is not about the federal BIP *per se*, it has impacts on the federal program. The first is on the levels allocation available for federal BIs. Where an immigrant selected by Quebec settles in a province outside of Quebec, they take a space allocated for a federal business immigrant, thereby decreasing the number of federal business immigrants that can be admitted within the levels set by parliament. Over the long term, this has an impact on the federal IIP funds available to participating P/Ts, resulting from decreased admissions available for federal BIP admissions.

Additionally, other issues related to the federal BIP were mentioned by a few interviewees. They relate to the falsification of documents and difficulties with verifying documents (including the provenance of funds), 'business flipping', and that because BIs are unevenly distributed across Canada, impacts of the program could be more concentrated in some areas of Canada than others.

6. Resource Utilization

This section focuses on the efficiency and economy of the BIP. As provided in the Directive on the Evaluation Function, the demonstration of Efficiency and Economy is defined as an "assessment of resource utilization in relation to the production of outputs and progress toward expected outcomes".[56] This assessment of efficiency and economy provides information on cost of delivering the program and its efficiency. In addition, it looked at the perceived impact of the selection criteria and alternatives.

6.1. Efficiency

Finding #20: During the time period considered, and based on CIC cost-management data, the average cost to process a BIP application was $2,654 which was 2.5 times the average cost for FSW and PNP. As such, the FSW program and the PNP are considerably less costly than BIP, as BIP applications are more complicated and take longer to assess. Cost per application however varied for the different classes under the BIP.

6.1.1. Program budget and costs

The cost analysis focused on the total costs for program delivery. The total and per-unit costs of BIP delivery were obtained from CIC's Cost Management Model (CMM) in order to examine trends in costs over time and to compare with other economic programs (FSW and PNP). The cost data available for BIP, FSW, and PNP by fiscal year from 2006/07 to 2011/12 are summarized in the following table.

Table 6.1 includes costs related to both the federal and Quebec immigration programs. These data include internal CIC costs, as well as costs incurred by other departments and agencies (excluding costs incurred by Quebec for the selection of its candidates)[57] related to the delivery of these programs.

Table 6.1: Total annual costs for BIP, FSW & PNP by fiscal year (in $million)

BIP Program	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	Average annual (ex. 2008/09)	
								% by class
EN	$7.14	6.05	n.a.	$4.20	$3.66	$5.08	$5.23	39.53%
SE	$0.90	$0.73	n.a.	$0.84	$0.51	$1.22	$0.84	6.35%
IN	$5.21	$5.97	n.a.	$12.63	$6.68	$6.92	$7.48	56.60%
BIP Total	**$13.25**	**$12.75**	**n.a.**	**$17.67**	**$10.85**	**$13.22**	**$13.55**	**100%**
FSW	$83.48	$90.07	n.a.	$116.97	$74.58	$71.69	$87.36	100%
PNP	$6.71	$9.22	n.a.	$17.38	$11.98	$19.42	$12.94	100%

Source: CIC Cost Management Model (Data not available for 2008/09). It includes internal CIC costs, as well as costs incurred by other departments and agencies.

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[56] *Assessing Program Resource Utilization When Evaluating Federal Programs*, 2013 Treasury Board Secretariat, p. 5-6.

[57] For example, DFAIT, CBSA, CSIS, DOJ, all incurred costs related to the BIP.

While there were year-to-year fluctuations, the average annual cost for BIP was $13.55M, ranging from $10.85M in 2010/11 to $17.67M in 2009/10. The estimated total BIP costs for the five-year period from 2006/07 to 2011/12 were $67.7M.

Costs by BIP class show that the average annual costs were highest for the IN class ($7.48M), followed by $5.23M for the EN class and lowest for the SE class ($0.84M). As a percentage of total BIP costs, 56.6% of the BIP costs were related to the IN class, 39.5% to the EN class and 6.3% for the SE class (which had small numbers of applications processed). However, 82% of those admitted in this period were in the IN class compared with 13% in the EN class. Therefore, the data indicate a higher average cost for ENs processed as compared with INs processed, which is discussed below.

Comparable data for FSW and PNP[58] showed considerable variations in annual costs over this period. This trend was related to changes in the volumes of applicants processed in these two classes as a result of changes in targets. Average annual costs for FSW ($85.14M) was higher than for BIP as a result of the considerably higher volume of applications processed whereas annual costs for PNP (averaging $12.64M) do not include P/T costs for applicant selection and nomination.

6.1.2. Efficiency of BIP

One indicator of cost-efficiency across programs is the average unit cost per application processed;[59] this is summarized in Table 6.2.

Table 6.2: Unit costs by program ($ cost/application processed)

Program	Average $ Cost /year	Average applications processed per year	Average unit cost ($/applications)
EN	$5.23M	855	$6,114
SE	$0.84	431	$1,950
IN	$7.48M	3,770	$1,984
BIP Total	**$13.55M**	**5,057**	**$2,680**
FSW	$87.36M	81,143	$1,077
PNP	$12.94M	11,997	$1,079

***NOTE: Averages were calculated based on 2006/07 to 2011/12 data, excluding 2008/09 for which no cost information was available.**
Source: CIC Cost Management Model.

Based on the average number of completed applications processed per year, the average unit cost for BIP ($2,680) was 2.5 times the average unit cost for the FSW program and the PNP. These data also indicate that the average unit cost for the IN and SE classes ($1,958 and $1,926) were almost double the average unit cost for FSW program and the PNP ($1,053 and $1,054). For the EN class, the average cost ($6,094) was 3 times the average unit cost for IN and SE class applications.

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[58] Note that annual costs for PNP do not include P/T costs for applicant selection and nomination, as this part of the processing is the responsibility of the P/Ts.

[59] Applications processed refers to applications that were finalized in a given year (i.e., the applications for which a final decision was rendered). Cost figures include all the CIC costs associated with processing BIP permanent resident application from receipt to rendering a final decision; as well as all the efforts from OGDs (security screening, etc.), excluding CBSA Port of Entry costs. Costs incurred by CIC for the monitoring of the Entrepreneur program are also included.

Based on per-unit costs, close to two applications for FSW or PNP could be completed for the cost of processing each IN or SE application. Further, six FSW or PNP applications could be processed for each EN application. Therefore, strictly in terms of output cost, FSW and PNP are considerably more cost-efficient than BIP.

However, a range of factors may contribute to higher processing costs for BIP and for the EN class in particular. Interviewees noted that processing BIP applications can be more complex and challenging than most of the other economic classes because of the review of financial information, verification of business experience, and establishing the provenance of funds where required (for personal net worth and capital investment amounts). These financial reviews are not required for FSW applications for example. Other factors that may contribute to the unit cost per application being higher for ENs include:

- the number of times a file is touched (and the requirement to update certain documents) to reach a final decision on the application due to longer processing times for this class;
- a higher proportion of EN cases being interviewed due to the complexity of assessing entrepreneurial background;
- the high refusal rate for EN applications, and increased level of effort required to process cases that are refused;
- the low concentration of EN files within specific CVOA (as a high concentration of files in a few offices, as seen for the IN class, lead to increased efficiency); and
- the monitoring of Ts&Cs for the program and any related enforcement action that may be taken where Ts&Cs are not met.

Therefore, processing costs are higher for EN and IN applications than for the other economic programs.

6.2. Selection Criteria and Alternatives

Finding #21: Stakeholders felt that certain selection criteria could be improved to better meet the objectives of the program (namely economic contribution to Canada).

Finding#22: Through interviews and the document review, a variety of alternative approaches to program delivery were identified as ways to potentially improve efficiency and economy, including changes to the language requirements, business experience, investment capital and third party involvement.

The evaluation considered whether the selection criteria (as described in Section 1) were effective in identifying applicants who have established themselves economically in Canada.

NHQ interviewees and case study representatives felt that current BIP selection criteria could be improved to better meet the objectives of the program (economic contribution to Canada). Some noted that the current selection criteria are not specific enough to ensure BIP attracts the kinds of business immigrants needed in Canada. Improving selection criteria would, in this regard, increase efficiency, as resources invested would be better targeted to achieve expected results. As shown in Section 5 of the report, over 80% of BIs have incomes from various sources, and very few BIs receive employment insurance or social assistance benefits. Based on this data, the BIP selection criteria appear to be relatively effective in selecting BIs who economically establish. However, as discussed in the previous section, the economic performance of BIs is low compared to that of other economic classes.

The evaluation also considered whether there were any alternative selection criteria that could meet policy objectives more effectively and whether there were any alternatives that would improve the program's cost-effectiveness. This information can be summarized in the following proposed alternatives:

Language: While the selection grid includes points for official language proficiency as a criterion, there are no minimum language requirements for selection. Applicants can obtain sufficient points to qualify (35 out of 100) without any points for language proficiency. As background data has shown (Section 1.2 Program Profile), 59.2% of BIP immigrants arriving from 2007 to 2011 have no knowledge of English or French. Some interviewees suggested that adding a minimum requirement for language proficiency would help immigrants function more effectively in business, self-employment and/or investment fields in Canada. Consequently, it would ensure program resources are best invested to admit BIs with the most potential to establish in the country and to generate the most economic outcomes.

Business Experience: Stakeholders identified a need to better define previous business experience for the three BIP classes, such as to consider the size and type of businesses previously owned because the 'business' sector differs from Canada in many other source countries. However, it was recognized that assessing past business experience abroad is challenging and that it may take some time for new immigrants to establish businesses in a different business environment. In order to address this issue, some countries still use a points system, but they also provide temporary resident visas as pathways to permanent residency. This provides the opportunity for immigration officials to assess progress by new immigrants toward meeting business program requirements before permanent residence is approved. Such an alternative to the way business experience is currently assessed would increase cost-efficiency as less time and effort would be required to assess this aspect of applications, while ensuring links to expected program results.

Investment Capital: With respect to the IN class, some interviewees suggested raising the investment to $2M or $3M to make the amount more worthwhile for Canada since it is fully repayable after 5 years. A few respondents also suggested that IN funds could be placed at risk. Review of the investor immigrant programs in Australia, the UK and the US shows that these countries require that investor capital be placed at varying degree of risk. The Australian program requires that applicants take no legal action if their investments lose value. The US program requires that investment funds to be at-risk and disallows the use of loans to secure the required investment funds. As for the other two countries, the UK also requires investment funds to be at-risk, while allowing loans in some instances (in which case it requires proof of assets in excess of the loan amount).

While increasing benefits generated through the program, increasing the investment amount (and consequently the personal net worth) would also constitute a gain in efficiency for application processing according to case study interviewees. Case study interviewees mentioned that when the investment required for INs was raised from $400,000 to $800,000, it became easier for them to assess the personal net worth. Prior to this change, they saw a lot of non-business people applying through the program; increasing the requirements by 100% led to better quality applications.

Third party involvement in the selection process: With respect to BIP delivery, some interviewees suggested the use of third parties for the verification of assets. Interviewees also suggested the involvement of private companies or businesses in the selection of business immigrants. Representatives from two of the four countries interviewed said that they had had success in delegating responsibility for screening applications and monitoring compliance to sponsoring institutions (e.g. for the UK's Graduate Entrepreneur and Exceptional Talent programs). For example, in its Graduate Entrepreneur program, the interviewee noted that they were able to leverage a list of institutions already developed for its student immigration programs and had sanctions if partners did not fulfill conditions. Third party involvement would lead to increased efficiency, capitalizing on the expertise of partners (which officers often do not possess), and ensuring officers would not have to devote as much time to assessing an application. Officers would then rely on the analysis provided by those third parties to make decisions on applications, instead of doing the full assessment themselves.

Other cost-effective alternatives: During the case studies, interviewees noted a number of alternatives that could improve cost-effectiveness. Centralized processing was noted as a possible alternative, however, it was mentioned that local knowledge about the business environment in countries of origin is important for effective review of applications. Increased use of online applications was also noted as a possible efficiency improvement. This approach was echoed in interviews with officials in other countries who noted efficiency gains through measures such as: the use of electronic applications, application process automation, consolidating or streamlining visa processing branches and placing caps on applications received, which assisted in managing the volume of applications. However, the majority of the CVOA case study interviewees responded that the current application review process was already challenging in balancing processing efficiency with quality of the application review and that no additional risks should be undertaken in an attempt to increase cost-effectiveness.

Alternatives to improve cost-effectiveness were also considered by reviewing approaches used in similar business immigration programs in four other countries (Australia, New Zealand, UK, and USA). Interviews with officials identified the following approaches used successfully. Australia has adopted an on-line 'expression of interest' approach for applications to streamline and automate the application process. With this approach, the states or territories then select applicants they wish to nominate and applicants remain for only two years in the 'pool'. The USA Regional Centre (RC) approach allows for bundled investments and coordinated economic development projects put together by the RCs. This approach is more efficient than approving each individual investment project and also allows for a coordinated economic development strategy over a number of years. The USA Targeted Economic Area approach links the investment amount required from the business immigrants to the investment location and local economic conditions. Approaches to the design and delivery of business immigration programs vary considerably in other countries. It would be important to assess alternatives used elsewhere in relation to the objectives of Canada's BIP and its classes to determine their applicability in Canada.

7. Conclusions and Recommendations

Based on the evaluation evidence presented in this report, the following conclusions and recommendations are put forward.

7.1. Relevance

Based on the documents reviewed and the key informant interviews, the evaluation found that there is a continuing need to facilitate the migration of business immigrants to Canada, and the role of the federal government in the delivery of the BIP is appropriate. The BIP is broadly aligned with GoC and CIC objectives with respect to strengthening the Canadian economy. However, the BIP had become less aligned over time with current CIC and GoC priorities emphasizing innovation.

As the expected outcomes of the BIP are to contribute directly to the creation of jobs and businesses in Canada, the evaluation found a continuing need for this program. In addition, the majority of key informants felt that Canada needs a program like the BIP even while being critical of the ability of the BIP, as currently designed, to achieve its objectives.

Documents reviewed did not identify business immigration as a GoC priority, but identified job creation as a priority. As job creation is one of the expected outcomes of the BIP, the program is aligned with priorities in that regard. However, the review of recent government strategic documents highlighted innovation and growth in Canada as emerging economic priorities. These developments, in addition to low target and admission levels for this program, suggest that the BIP the way it was designed may not be in alignment with priorities for business immigration and GoC priorities more broadly.

Although there is a clear federal legislative framework through the *IRPA* for the federal BIP, and the program is consistent with overall federal government responsibilities for Canadian immigration, P/Ts also have a role in the selection of business immigrants through their respective programs. As such, some overlap can be perceived between the BIP and P/T programs as both provide avenues for business immigration, but it would necessitate further research to determine to what extent the two programs compete or complement each other, especially in light of the current lack of alignment between BIP and current GoC's priorities.

7.2. Management Outcomes

In the face of the high number of applications and a low immigration level allocation, CIC did not succeed in managing the intake of BIP applications and preventing a large inventory from building up. As a result of the inventory, processing times for BIP applications were long. During the time period under review, limited monitoring was undertaken by CIC on entrepreneur terms and conditions.

Over the period considered for the evaluation, the inventory of BIP files continued to grow as more applications were received than processed. CIC had an inventory of 24,976 cases, representing 82,832 persons as of February 4, 2014, which would take many years to eliminate unless the department puts forward measures to address the inventory issue, such as drastically increasing the levels, adjusting the pass mark, imposing caps on the number of applications, or refunding application fees to candidates. Consequently, processing times for the three classes of the BIP continued to increase between 2007 and 2011, reaching 81 months for the ENs, 83 months for the SEs and 43 months for INs in 2011 for 80% of the cases.

Given the low level of monitoring and the lack of data, it was impossible for CIC to assess whether or not entrepreneurs met their Ts&Cs. As such, CIC did not have the information required to appropriately enforce the Ts&Cs. It was noted by interviewees that monitoring Ts&Cs required a lot of resources. Hence, the responsibility to determine whether ENs comply with the program's requirements rested with CIC, as opposed to relying more on the EN to demonstrate that they have complied with the Ts&Cs.

7.3. Program Outcomes

When considering together the indicators of self-employment income, investment activities, employment income, taxable income (and taxes paid), and social assistance reliance, business immigrants demonstrated some level of economic establishment in Canada. However, their economic performance and extent to which BIs had economically established is low compared to other economic classes considered (FSWs and PNs).

Nevertheless, BIs have established businesses and created jobs in Canada through the EN class. Businesses and jobs were also created through the IN and SE classes, although to a lesser degree. In addition to the IIP funds provided to P/Ts which allowed for limited investments in economic development, many BIs have undertaken additional investment activities in Canada.

BIs are self-sufficient and have lower incidence rates of social assistance than PNs and FSWs. However, their economic performance is lower than that of other economic classes. BIs report considerably lower personal taxable incomes than do FSWs and PNs and they pay substantially lower personal income taxes. Lower personal taxable income is a reflection of the type of income earned by BIs. As expected, BIs have higher incidence of self-employment and investment income than FSWs and PNs and lower incidence rates of employment income. However, given the nature of the income of BIs, it is difficult to fully assess their economic situation in the country.

In addition to becoming established economically, BIs were expected to create additional job opportunities for all Canadians through business start-ups and additional provincial investment in economic development. The evaluation findings indicated that BIs have established businesses and created jobs in Canada. This expected outcome was achieved not only through the EN class but also through the IN and SE classes.

IIP investment funds have resulted in about 30% active investment by P/Ts. The economic impacts could have been greater if a higher share of the IIP funds had been invested actively. P/Ts did not submit reports to the extent required under section 95 of the *IRPR*, which reduced the ability of the evaluation to explore the nature and type of positions created through the use of the funds, and for CIC to monitor in an on-going way how P/Ts were using the funds for the purpose of economic development. In addition to the initial investment made by INs, many BIs have undertaken investment activities in Canada.

While benefits of the program generated by the investment funds and the economic activities of BIs are shared across Canada, they are not distributed equitably among P/Ts.

Given that Ontario and British Columbia receive the most BIs, they are benefitting the most of from the economic activities BIs engage in (such as business and job creation). In addition, despite the formula for the distribution of the investments that allows for better distribution of the funds across P/Ts, Ontario and British Columbia receive the highest share of the federal investment funds (excluding Quebec).

As shown by the analysis of interprovincial mobility, most of the BIs selected by Quebec settled outside of that province, which has implications for the federal BIP. While the rest of Canada can benefit from the businesses and jobs created by BIs, Quebec still received the largest share of the investment funds (58.4% between 2007 and 2011), as a function of the number of investors it selected.

There were unintended program impacts identified by interviewees and supported by the IMDB analysis related to residency issues.

In terms of unexpected results, there were two main program issues identified by interviewees and supported by the IMDB analysis, which related to residency. The first area relates to BI PAs not residing in Canada (mentioned mainly for INs), using the BIP as a way to establish their families to the country while maintaining their activities abroad. The second issue identified relates to BIs selected by Quebec settling in other P/Ts in high numbers.[60] This conclusion, linked with the ones on mobility, suggest that the migration of BIs is not strengthening Canada's economy to the extent possible.

Opportunities for amending the selection process that could improve the efficiency and economy of the program were identified.

Areas for improvement identified to support visa officers in their decision making include introducing minimum language requirements, introducing better tools to assess business experience, increasing investment capital amounts required of applicants and considering the use of third party involvement in application processing. Those suggested changes would ensure a better use of resources to achieve the program's expected outcomes.

7.4. Recommendations

Overall, issues identified by the evaluation relate to the design and implementation of the program. Although the economic performance of BIs was lower than that of other economic classes considered by the evaluation, BIs met the expectations for which they were selected: investment capital was raised for economic development projects by INs making the initial investment required of them to be granted permanent residence, most of the ENs owned businesses in Canada and created employment as per the Ts&Cs of the program under which they were admitted, and many SEs were either active on the Canadian labour market through self-employment or paid employment. In addition, many BIs contributed economically beyond program requirements, as it is the case for those INs who created businesses and jobs in Canada and undertook investment activities in Canada after admission. With a different program design, an increased monitoring of the EN class and a more active investment of the investment funds, the program could have generated even more benefits.

Given the current context where the GoC announced in early 2014 its intention to terminate the federal entrepreneur and investor programs, and that the findings indicate that the program could benefit from major adjustments, CIC should seize the opportunity, building from the evaluation's lessons learned, to inform the design and implementation of new federal business immigration programming. The following recommendation should be considered in the design and implementation of any program on business immigration (including the Start-Up Visa Pilot, any future investor pilot or any review of the current SE class).

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[60] Although this last issue is not about the federal BIP, it has impacts on the federal program.

Recommendation: In future business immigration program design and implementation, CIC should consider the following, as applicable, with a view to ensuring improved monitoring and reporting and increasing economic benefits:

- Developing a strategy to maximize the benefits of business immigrant investments for Canada;
- Using a phased approach to permanent residence;
- Leveraging third party expertise;
- Improving the management of application intake to prevent the creation of an inventory; and
- Ensuring appropriate data is available to support performance measurement strategies.

Further details on these considerations, based on evidence presented in this report, are presented below.

Component #1: Developing a strategy to maximize the benefits generated by the investment funds, related both to the investment required as well as to how the funds are used

The evaluation findings indicated that despite the monitoring that was done, CIC was only able to obtain limited information on how P/Ts used the fund for the purpose of economic development. The program also lacked strong levers to compel active investment. As such, the IIP investment funds resulted in limited active investments. In order to mobilize more capital for innovation and job creation and also in order to have a stronger link to GoC's priorities, this strategy should consider the following aspects:

- CIC should consider increasing the period of 5-year for the refundable loan to a longer period of time in order to provide more time for active investments and to maximize the return on investments;
- CIC should consider raising the investment to $2M or $3M to make the amount more valuable for Canada since it is fully repayable. In addition to bringing additional capital to Canada, it was mentioned that raising the amount, in the past, increased the quality of the applications and allowed for a more efficient assessment of the applications. Increasing the amount Canada requires of investors would be in line with what is asked in other countries, such as Australia and New Zealand who have programs requiring greater contributions (5 M and 10 M, in their respective currency);
- CIC should consider that capital be placed at risk. Review of the investor immigrant programs in Australia, the UK and the US showed that these countries require that investor capital be placed at varying degrees of risk;
- CIC should develop clear guidelines in terms of how funds need to be invested. These guidelines should identify clearly what proportion of the funds need to be actively invested and in which economic areas; and
- Finally, similarly to section 95 of the *IRPR*, CIC should consider imposing reporting requirements, as appropriate, to ensure funds are used appropriately to meet program expected outcomes, and enforce the compulsory nature of this requirement.

All of these approaches would allow CIC to mobilize more capital for innovation and job creation to Canada as well as provide stronger links to GoC's priorities.

Component #2: Using a two-phase approach where candidates would be required to first reside in Canada on a temporary basis and demonstrate meeting the programs' requirements prior being eligible to apply for permanent residency

Many challenges identified in the current evaluation report could be mitigated by this two-phase approach including: the monitoring and enforcement of the terms and conditions of ENs, residency issues, as well as the processing time and inventory of BIP.

This approach would consist of not granting permanent resident status until candidates have demonstrated meeting specific requirements, as determined by the program. The United Kingdom and Australia both have a provisional phase prior to being eligible to apply for a permanent visa. While considering this recommendation, CIC should further examine these avenues introduced by other governments.

First, in the case where monitoring and enforcement of terms and conditions would be required, with such an approach the responsibility to demonstrate compliance with the program would rest with the candidate and not with CIC. The evaluation findings demonstrate that the monitoring required substantial resources which led CIC to not monitor and enforce successfully terms and conditions. As a result, CIC was not able to measure the contribution of ENs towards the expected program outcomes.

Second, regarding the program issue related to residency, a two-phase approach would allow CIC to introduce requirements to be met while having a temporary status. As such, CIC would be in a position to determine whether immigrants are residing and undertaking economic activities in Canada (like investing, starting/acquiring businesses, creating jobs, or creating their own employment) prior to granting permanent resident status. This would ensure that BIs who have a genuine intention of establishing in Canada are being selected and therefore are contributing to strengthening Canada's economy.

Lastly, other countries that have a two-phase approach have a much shorter processing time for programs like the BIP. In that regard, this approach could potentially decrease the processing time of BI applications significantly.

Component #3: Leveraging third party expertise in the assessment and validation of some aspects of applications

Evaluation findings demonstrated that not all CVOA have expertise to assess the BI applications given their complexity. Aspects that were perceived as complex included the verification of the personal net worth and provenance of funds, the assessment of business experience, and the determination of who qualifies as a self-employed immigrant. In addition to increasing efficiency, third parties involvement would also allow for the selection of candidates who have the most potential to be successful in the activities they plan to undertake in Canada, while increasing program integrity by delegating parts of the processing to competent bodies.

CIC has already started using third parties for different parts of application processing, notably in its recently introduced Start-Up Visa program and for the assessment of language proficiency and foreign credential in the FSWP. These practices could be emulated to enhance BIP's program design.

Third parties involvement could be integrated differently within each of the three BIP classes. In the case of the EN class, interviewees identified the Start-Up Visa approach as being efficient given that parties with business expertise are best positioned to identify innovative entrepreneurs who could actively pursue business ventures in Canada. Similarly, for the SE class, other countries, such as the United Kingdom, recently introduced the exceptionally talented program that uses a designated competent body to recommend promising candidates. CIC should consider using designated bodies for the recommendation of SE candidates. The IN class could also benefit from third party involvement to verify the personal net worth and provenance of funds as well as to identify sectors of economy that could most benefit from these funds.

Component #4: Developing a strategy to improve the management of BI application intake to prevent the creation of an inventory

As indicated previously, CIC did not succeed in managing the intake of applications which led to the accumulation of a large inventory that would take many years to eliminate at the current pace, unless direct actions are put in place to address the situation. As such, CIC should consider different options to address the inventory, including a combination of the following options:

- Eliminating the inventory by refunding application fees to candidates;
- Imposing caps on the number of applications that can be submitted in a year for each of the BIP classes;
- Increasing the minimum number of points required of a BI on the selection grid; and
- Maintaining the current pause on the application intake for the EN and IN classes and introducing a pause on the SE class while drastically increasing the levels for BIP.

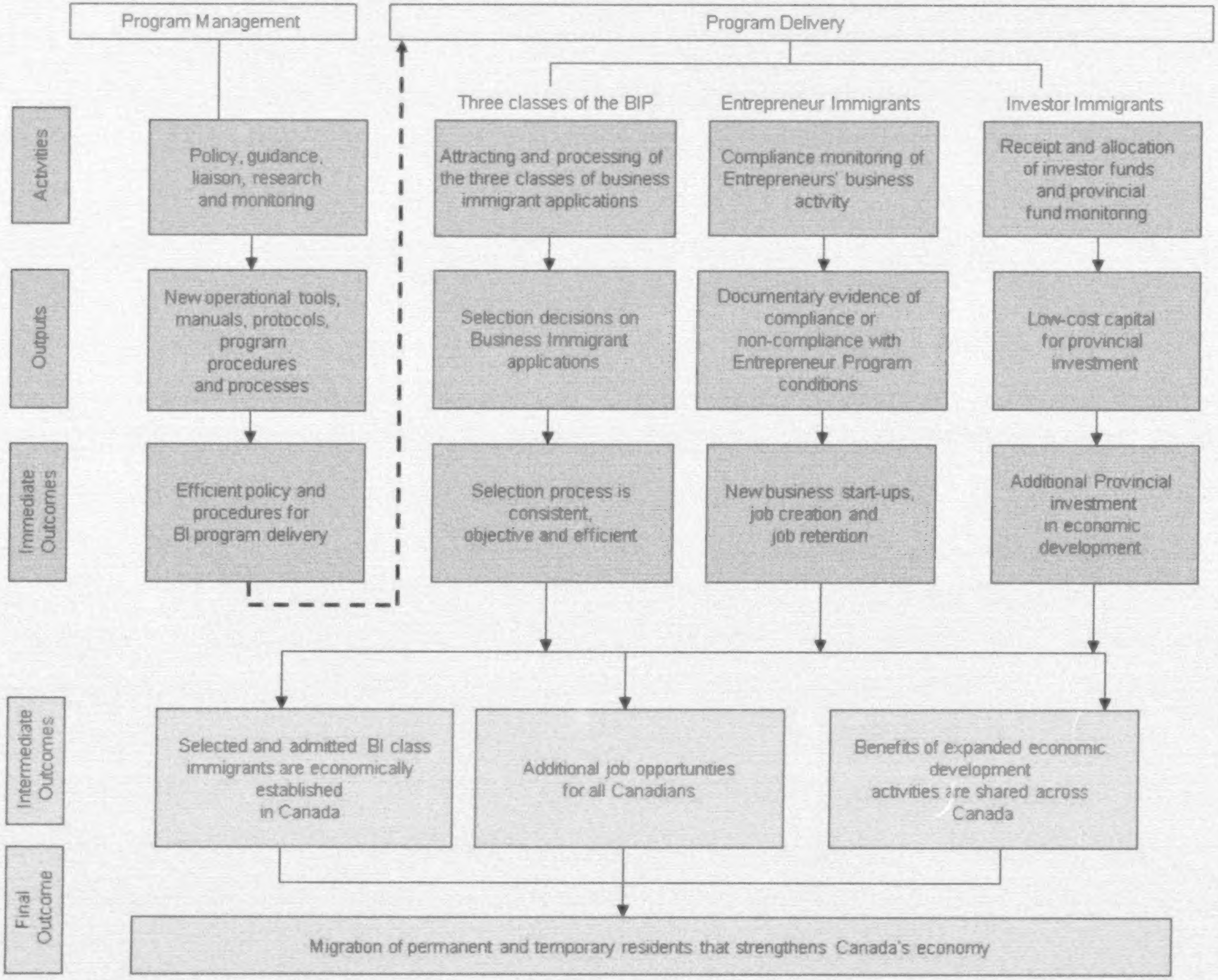
Many of these options have been used by CIC in the past for other programs, such as the FSWP. As these options would have an impact on the inventory, they would also increase the timeliness of the application processing.

Component #5: Ensuring appropriate data is available to support performance measurement strategies

Given the challenges identified in the monitoring of the entrepreneurs' terms and conditions and of the P/Ts use of investment funds, CIC should ensure appropriate data is available to measure program performance. As such, CIC should develop, implement and update performance measurement strategies to ensure the programs are achieving their expected outcomes and also ensure that CIC has financial information allowing for proper efficiency and economy analyses on its federal programs.

This over-arching recommendation, and its different components, will have an impact on all aspects of business immigration programs: program relevance, through a better alignment with GoCs priorities; management outcomes by being more proactive in the management of the intake and the inventory; and program outcomes with enhanced reporting on economic aspects contributing to maximizing the economic outcomes of the program.

Appendix A: Business Immigration Program Logic Model


Program Management
Program Delivery
Three classes of the BIP
Entrepreneur Immigrants
Investor Immigrants
Activities
Policy, guidance, liaison, research and monitoring
Attracting and processing of the three classes of business immigrant applications
Compliance monitoring of Entrepreneurs' business activity
Receipt and allocation of investor funds and provincial fund monitoring
Outputs
New operational tools, manuals, protocols, program procedures and processes
Selection decisions on Business Immigrant applications
Documentary evidence of compliance or non-compliance with Entrepreneur Program conditions
Low-cost capital for provincial investment
Immediate Outcomes
Efficient policy and procedures for BI program delivery
Selection process is consistent, objective and efficient
New business start-ups, job creation and job retention
Additional Provincial investment in economic development
Intermediate Outcomes
Selected and admitted BI class immigrants are economically established in Canada
Additional job opportunities for all Canadians
Benefits of expanded economic development activities are shared across Canada
Final Outcome
Migration of permanent and temporary residents that strengthens Canada's economy

Appendix B: Evaluation Issues, Questions and Indicators

The evaluation issues, questions and performance indicators used to guide the evaluation are presented in the following table.

Table B-1: Evaluation issues, questions and performance Indicators

Relevance

1. Is there an ongoing need for the Business Immigration Program?
   - 1.1. Consistency in policy directions for the IN, EN and SE Classes
   - 1.2. Trends in the number and profile of applications under each of the three Classes
   - 1.3. Trends in the number and profile of admissions to Canada under each of the three Classes
   - 1.4. Number of principal applicants remaining in Canada after 2, 5, 10, 15 years
   - 1.5. Economic activity generated by each of the three Classes

   Investor class
   - 1.6. Type of investment activity by each participating province [and territory]
   - 1.7. Stakeholders view on IN (reasons for provinces to participate or not participate to IN, view on economic activity generated by their participation)

   Entrepreneur class
   - 1.8. Stakeholders view on jobs created by the EN Class
   - 1.9. Stakeholders view on the number and type of new businesses started or acquired by EN Class in proportion to the number of entrepreneurs admitted
   - 1.10. Number of ENs with conditions remaining in system beyond the prescribed time frame compared to the number of entrepreneurs admitted

   Self-employed persons class
   - 1.11. Evidence of economic activity in Canada in the arts, athletics or farm management
   - 1.12. Rationale for and need to group the arts, athletics and farm management under this category

2. Is the Business Immigration Program consistent with departmental and government-wide priorities?
   - 2.1. Stakeholders' perceived alignment between the BIP and departmental and government-wide priorities
   - 2.2. Alignment between BIP policies/ directives and departmental and government-wide priorities
   - 2.3. Government wide policy/directives suggesting the need to revisit any of the categories of the Business Immigration Program

3. Is the Business Immigration Program consistent with federal roles and responsibilities?
   - 3.1. Alignment with legislative and federal obligations
   - 3.2. Comparison of federal program to Provincial Nominee Program (PNP) and the Quebec program
   - 3.3. Stakeholders' perceive BIP consistent with federal role and responsibilities

Program performance - management outcomes

4. Have policy advice and directives supported effective program delivery?
   - 4.1. Consistency in BIP case processing in CVOA
   - 4.2. Consistency in quality assurance in BIP application processing
   - 4.3. Evidence of coordination within CIC
   - 4.4. Identification of issues related to the selection process and mitigation strategy to address identified issues
   - 4.5. Evidence of program revisions

5. Have selection decisions for the Business Immigration Program been timely, consistent and objective?

   Timely

   5.1. BIP application processing times (and inventories) by CVOA and overall (over time) compared to other economic classes and other countries

   Consistent

   5.2. Consistency in BIP case processing in CVOA
   5.3. Consistent training for visa officers across CVOA
   5.4. Comparison of BIP application acceptance, withdrawal and refusal rates overall and by CVOA (over time and reasons if available)
   5.5. Consistency in quality assurance in BIP application processing
   5.6. Evidence of coordination within CIC

   Objective

   5.7. Number, nature and outcome of complaints and legal challenges regarding selection decisions
   5.8. Number, percentage of BIs admitted with points below the pass mark (and reasons for being admitted)
   5.9. Perception of stakeholders on consistency, timeliness and objectivity of BIP processing

6. How effective was the ongoing monitoring of the Entrepreneur Class terms and conditions?
   6.1. Percentage of ENs being monitored and percentage of landed entrepreneurs not reporting to CIC
   6.2. Number and percentage of ENs meeting conditions
   6.3. Number of enforcement actions in proportion to those not complying
   6.4. Number (percentage) of ENs having conditions:
      - successfully removed from their permanent resident status
      - removed on officer's discretion (i.e. conditions not technically met)
   6.5. Number (%) of ENs with conditions remaining in system beyond the prescribed time frame
   6.6. Estimated total costs of compliance monitoring (including estimate from CBSA, if available)
   6.7. Average time taken to assess an EN's application to have terms and conditions cancelled
   6.8. Number (%) of ENs who have not met Ts&Cs, and have filed applications to remain in Canada on Humanitarian and Compassionate grounds
   6.9. Stakeholders and clients' perspectives on the values of Ts&Cs

Program performance - program outcomes

7. Has the Entrepreneur Class contributed to the creation of new business start-ups or acquisitions and jobs creation?

   Business start-ups

   7.1. Trends in the number and types of businesses acquired or created by entrepreneur immigrants relative to provincial and sectorial trends
   7.2. Business ownership retention rates once Ts&Cs have been met (whether the entrepreneur kept the original business, started a new business, or entered the labour market)
   7.3. Evidence of business "flipping" - existing businesses flipped to entrepreneurs for purposes of meeting Ts&Cs
   7.4. Comparative profile of entrepreneur businesses successful in meeting terms and conditions vs. those that do not meet Ts&Cs in terms of business types (sector, size, etc.)

   Creation of jobs

   7.5. Trends in the number and types of jobs created by entrepreneur immigrants
   7.6. Job retention rates by province and sector (for acquired and created businesses)

8. To what extent are business immigrants becoming established economically?
    - 8.1. Trends in gross and net self-employment income of business immigrants by demographic profile
    - 8.2. Comparative economic profiles of business, skilled worker and provincial nominee immigrants who reported self-employment income (gross and net), employment earnings, both simultaneously and composition of total income
    - 8.3. Evidence of secondary investments in Canada by business immigrants, by province and sector (other than the required program investment/business activity)
    - 8.4. Percentage of business immigrants relying on social assistance and employment insurance (incidence rate) as compared to general population, skilled worker and provincial nominee immigrants

9. To what extent are the economic benefits of business immigration being shared across Canada (BIP overall) and participating provinces (IN only)?
    - 9.1. Intended province of destination versus the province of residence at admission (by three business immigration classes)
    - 9.2. Distribution of interprovincial migration over time (compared to other FSW & PNP)
    - 9.3. Net changes between in-migration and out-migration between provinces
    - 9.4. Rate of estimated out-migration of business immigrants compared to skilled worker and provincial nominee immigrants
    - 9.5. Distribution of IN funds to participating provinces

10. Have there been any unintended impacts associated with BIP?
    - 10.1. Evidence of fraud/misuse in the Business Immigrant Program
    - 10.2. Changes in policy and program direction
    - 10.3. Unintended results of programs and policies

Program performance - efficiency and economy

11. Are the selection criteria of the BIP effective in identifying applicants who will establish themselves economically?
    Are there alternative selection criteria that could meet policy objectives more effectively?
    - 11.1. Comparison of federal and provincial recruitment activity targeting business immigrants (for entrepreneur and self-employed programs only)
    - 11.2. Comparison of achievements under federal and provincial business immigration programs (as measured by the success indicators in the previous section - amount of investment, number of new jobs and number of new business created)
    - 11.3. Identification of the most important selection criteria (business experience, language, education, age, etc.) on the economic outcomes (propensity to be self-employed, propensity to be employed, actual self-employment earnings, actual employment earnings) of business immigrants
    - 11.4. Trends over time and across CVOA in selection scores for language, education, age, adaptability and experience
    - 11.5. Alternative selection criteria of business immigrants under PNP or in other countries
    - 11.6. Comparative economic profiles of business, skilled worker and provincial nominee immigrants who report self-employment income (gross and net) and employment earnings.

12. How cost-effective is the current approach to selecting business immigrants?
    - 12.1. Total CIC budgets and expenditures (O&M, salary) by the three programs, by year?
    - 12.2. Average cost over time per BIP applicant compared to FSW and PNP
    - 12.3. Other means to deliver the program that would be more cost-effective

Appendix C: IMDB Capture Rate

Table C-1: IMDB Capture Rate by immigration class and years since admission

Admission	BIP	Years since Admission															
Cohort	Class	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1996	ENs	65.6	80.0	81.2	79.4	78.4	76.8	74.4	72.5	70.4	65.9	66.8	65.2	63.9	61.8	60.7	59.9
1997	ENs	65.4	76.6	77.8	77.0	77.0	73.4	71.8	70.2	64.8	66.2	64.8	63.0	61.9	60.3	58.7	
1998	ENs	68.5	79.7	79.0	79.0	76.9	75.1	74.8	69.5	69.9	69.5	68.1	67.1	65.3	63.9		
1999	ENs	70.7	83.0	83.7	83.3	80.7	80.3	75.3	75.7	73.8	72.6	70.7	69.2	66.9			
2000	ENs	74.0	84.4	85.1	85.1	83.7	79.0	79.0	78.7	76.5	74.0	73.6	71.5				
2001	ENs	75.8	84.8	85.5	84.0	81.0	81.4	79.2	77.7	75.8	75.1	73.2					
2002	ENs	77.0	85.5	85.5	83.0	84.5	81.5	80.0	76.0	75.5	74.4						
2003	ENs	70.6	81.7	81.7	81.7	80.2	77.0	77.0	75.4	73.8							
2004	ENs	69.8	77.5	81.4	82.4	81.4	79.5	77.5	73.6								
2005	ENs	64.4	77.6	80.0	80.0	78.4	74.3	73.4									
2006	ENs	72.9	82.3	83.7	83.0	82.3	79.4										
2007	ENs	68.6	76.9	76.9	78.0	78.0											
2008	ENs	66.8	79.7	79.7	79.7												
2009	ENs	64.0	75.8	75.8													
2010	ENs	61.6	70.8														
2011	ENs	58.0															
1996	SEs	62.0	76.1	78.4	78.4	76.1	75.7	73.5	71.2	70.0	66.6	66.9	65.8	65.4	63.1	61.6	60.1
1997	SEs	63.5	76.8	78.0	77.2	75.9	73.8	70.8	69.5	66.9	67.3	66.0	64.3	63.0	64.3	62.2	
1998	SEs	65.6	76.5	77.2	77.9	76.5	74.5	72.4	68.3	68.3	66.9	66.3	64.2	64.2	63.5		
1999	SEs	64.6	78.9	80.2	80.8	78.1	76.1	76.1	76.1	75.4	74.0	72.7	71.3	70.0			
2000	SEs	65.8	79.9	82.7	82.7	82.0	78.5	77.8	76.4	75.7	74.3	72.1	70.7				
2001	SEs	68.2	81.5	79.9	79.0	78.2	79.0	76.5	74.9	74.0	73.9	71.4					
2002	SEs	66.3	73.3	77.7	76.9	76.9	76.0	74.2	71.6	72.4	69.8						
2003	SEs	62.5	77.2	77.2	77.2	75.9	75.9	73.2	71.8	70.5							
2004	SEs	64.7	73.4	76.9	78.7	78.7	73.4	73.4	73.4								
2005	SEs	65.0	74.8	78.7	80.7	78.7	80.7	78.7									
2006	SEs	59.6	71.2	76.9	75.0	75.0	71.2										
2007	SEs	52.5	61.7	64.8	71.0	67.5											
2008	SEs	63.4	70.9	74.6	74.6												
2009	SEs	60.2	63.9	71.4													
2010	SEs	48.9	56.4														
2011	SEs	60.2															
1996	INs	68.0	84.9	86.2	85.3	83.7	82.5	79.3	74.9	71.7	66.4	65.2	63.2	60.4	59.6	56.4	54.3
1997	INs	64.8	79.1	81.7	80.7	80.7	77.5	72.7	70.1	64.8	63.7	62.1	58.9	57.3	54.7	52.0	
1998	INs	64.8	80.8	83.2	84.0	82.4	79.2	75.2	70.4	69.6	66.4	64.8	60.0	59.2	57.6		
1999	INs	63.1	82.0	83.8	85.6	82.0	81.1	74.8	75.7	72.1	68.5	64.9	64.0	61.3			
2000	INs	72.4	81.0	82.9	82.9	80.0	77.1	75.2	72.4	69.5	65.7	63.8	61.9				
2001	INs	72.5	85.5	85.5	84.6	82.0	79.4	79.4	73.4	70.8	68.2	68.2					
2002	INs	75.0	83.8	85.8	86.7	85.8	80.9	78.0	75.0	72.1	71.2						
2003	INs	62.9	75.5	78.6	81.8	78.6	75.5	72.3	66.0	62.9							
2004	INs	57.5	77.5	80.0	81.3	80.0	76.3	73.8	71.3								
2005	INs	65.6	79.2	82.0	82.6	81.4	79.2	76.4									
2006	INs	63.8	77.8	77.8	80.1	78.5	76.2										
2007	INs	63.3	78.8	78.2	79.5	79.5											
2008	INs	62.4	76.5	79.5	80.6												
2009	INs	61.6	76.6	81.8													
2010	INs	60.8	75.5														
2011	INs	58.0															

Note: This was extracted from cubes information and does not capture the 1995 admission cohort.

Source: IMDB

Appendix D: Weighting of the Survey Results

The following table presents a comparison of the distribution of the three immigration classes, the actual total population (column 2) versus the percentage of those that consented to participate (third column). The table demonstrated that the Entrepreneur class is over sampled by a factor of 2.75 (35.2% / 12.6%) while the Investor class is under sampled by a factor of 1.39 (58.2% / 82.1%).

Table D-1: Percentage of participants versus the population

Immigration Classes	As a Frequency of the total population (n = 12,402)	As a Percentage of the total population (n = 12,402)	As a Frequency of the survey sample (n1 = 12,364)	As a Frequency of the survey sample (n1 = 12,364)	As a Frequency of those surveyed (n2 = 850)	As a Percentage of those surveyed (n2 = 850)
Entrepreneur	1,565	12.6%	1,554	12.6%	299	35.2%
Self-employed	657	5.3%	654	5.3%	56	6.6%
Investor	10,180	82,1%	10,156	82.1%	495	58.2%

Given the under-over sampling situation it was decided to weigh the results of those surveyed so that the % of each of the three classes was more proportionately representative of the total population (n1). Sensitivity analysis on different weighting options was conducted and the decision came down to three options:

Option 1: Immigration Classes

- Entrepreneur (EN)
- Self-Employed (SE)
- Investor (IN)

Option 2: China plus Immigration Classes

- Residency is China
- Immigration Classes
- Entrepreneur (EN)
- Self-Employed (SE)
- Investor (IN)

Option 3: Asia plus Immigration Classes

- Residency is Asia
- Immigration Classes
- Entrepreneur (EN)
- Self-Employed (SE)
- Investor (IN)

While the weighting exercise did bring the sample to more closely represent the population of the program, variances are still present, as depicted in the table presented on the following page.

Table D-2: Statistical weighting options

			OPTION 1		OPTION 2		OPTION 3	
Weighting Options	**Completed Surveys n=850**	**Population n=12,402**	**Weighted by TYPE (EN, SE,**	**Variation in % with weighting**	**Weighted by TYPE and China**	**Variation in % with weighting**	**Weighted by TYPE and Asia**	**Variation in % with weighting**
Immigration class								
Entrepreneur	35.2%	12.6%	12.6%	0.0%	13.0%	0.0%	12.6%	0.0%
Self-employed	6.6%	5.3%	5.3%	0.0%	5.0%	0.0%	5.3%	0.0%
Investor	58.2%	82.1%	82.1%	0.0%	82.0%	0.0%	82.1%	0.0%
Gender								
Female	19.5%	17.5%	20.9%	3.4%	23.0%	5.3%	22.8%	5.3%
Male	80.5%	82.5%	79.1%	-3.4%	77.0%	-5.3%	77.2%	-5.3%
Year of Admission								
2007	25.2%	17.6%	23.8%	6.2%	23.0%	5.5%	22.9%	5.3%
2008	22.7%	23.0%	21.1%	-1.9%	20.0%	-2.6%	21.9%	-1.1%
2009	17.5%	21.9%	16.6%	-5.3%	17.0%	-4.9%	16.6%	-5.3%
2010	20.0%	21.9%	21.8%	-0.1%	23.0%	0.7%	22.0%	0.1%
2011	14.4%	15.6%	16.6%	1.0%	17.0%	1.4%	16.6%	1.0%
Age group								
0 to 14 years of age	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15 to 24 years of age	0.1%	0.3%	0.0%	-0.3%	0.0%	-0.3%	0.0%	-0.3%
25 to 44 years of age	40.1%	44.7%	42.9%	-1.8%	46.0%	1.2%	45.3%	0.6%
45 to 64 years of age	57.3%	53.6%	54.7%	1.1%	52.0%	-1.4%	52.8%	-0.8%
65 years of age or more	2.5%	1.3%	2.3%	1.0%	2.0%	0.5%	1.8%	0.5%
Mean age	46.9	45.7						
Country of last permanent residence, world area								
Africa	20.2%	0.1	16.5%	3.7%	13.0%	0.6%	10.5%	-2.3%
Asia, Australia, Pacific	62.1%	0.8	68.0%	-11.5%	74.0%	-5.7%	79.6%	0.1%
Europe and UK	10.9%	0.0	9.7%	4.9%	8.0%	3.2%	6.1%	1.3%
United States	3.8%	0.0	3.2%	1.5%	3.0%	1.0%	2.1%	0.4%
South America	3.1%	0.0	2.7%	1.5%	2.0%	1.0%	1.7%	0.5%
Education								
0 to 9 years	5.6%	0.1	4.6%	-4.5%	5.0%	-4.2%	4.7%	-4.4%
10 to 12 years	15.2%	0.2	13.6%	-6.6%	13.0%	-6.8%	13.5%	-6.7%
13 or more years	7.5%	0.1	6.9%	1.6%	7.0%	1.5%	6.2%	0.9%
Trade certificate	6.2%	0.1	6.0%	-0.7%	7.0%	0.0%	6.1%	-0.6%
Non university diploma	31.5%	0.2	22.8%	0.9%	25.0%	3.5%	24.5%	2.6%
Bachelor's degree	20.7%	0.3	31.1%	4.8%	29.0%	3.1%	30.9%	4.6%
Master's degree	11.4%	0.1	12.8%	4.0%	12.0%	2.9%	12.5%	3.7%
Doctorate	1.8%	0.0	2.1%	0.5%	2.0%	0.1%	1.5%	-0.1%
Knowledge of official languages								
English	56.2%	0.4	51.0%	11.9%	44.0%	4.7%	45.6%	6.5%
French	0.4%	0.0	0.4%	0.3%	0.0%	0.2%	0.2%	0.1%
Both	3.1%	0.0	3.5%	2.0%	3.0%	1.3%	2.2%	0.7%
Neither	40.4%	0.6	45.0%	-14.2%	53.0%	-6.1%	52.0%	-7.2%
Main countries of last permanent residence								
People's Republic of China	35.0%	0.5	42.0%	-11.1%	53.0%	0.0%	49.3%	-3.8%
Taiwan	7.0%	0.1	8.9%	-1.1%	7.0%	-3.1%	10.6%	0.6%
Republic of Korea	7.0%	0.1	6.9%	-1.8%	5.0%	-3.3%	7.9%	-0.8%
Iran	10.0%	0.1	7.4%	1.0%	6.0%	-0.3%	4.9%	-1.5%
United Arab Emirates	4.0%	0.0	4.2%	1.3%	3.0%	0.4%	2.4%	-0.5%

After reviewing the three options, Option 3 was selected as most closely representing the total population n1.

Appendix E: Glossary of Economic Concepts

Business income – gross: Gross business income is the entire income of the taxfiler's unincorporated business (e.g. dentist, accountant, physician, etc.), before costs and expenses are deducted. If the enterprise is a partnership, each partner reports the income of the whole operation.

Until 1994, reporting of self-employment income was on a fiscal year basis and the fiscal year end was the end of the taxation year for reporting this income. Beginning in 1995, most individuals are required to report self-employment income on a calendar year basis. However, eligible individuals may be able to use an alternative method of reporting whereby the fiscal period does not end on December 31. Due to this rule change, individuals reporting self-employment income in 1995 may have reported more than one fiscal year's income (i.e. more than 12 months).

Capital gains/losses, net taxable: A capital gain or loss occurs when there is a disposition or deemed disposition of capital property, only a fraction of net capital gains are taxable.
The following is the percentage of capital gain that is taxable:

- 50%, 2001 to 2007;
- Three different percentages in 2000;
- 75%, 1990 to 1999;
- 37.5%, 1997 for certain property donated to charity;

For the year 2000, taxfilers include in their income 75% of capital gains realized before February 28, 66.67% of gains realized from February 28 to October 17 and 50% after this date. The cumulative capital gains deduction limit is $250,000.

Commission income – gross: Gross commission is the entire income of the taxfiler's unincorporated business, where commission is earned, before costs and expenses are deducted. If the enterprise is a partnership, each partner reports the entire gross commission income of the operation.

Until 1994, reporting of self-employment income was on a fiscal year basis and the fiscal year end was the end of the taxation year for reporting this income. Beginning in 1995, most individuals are required to report self-employment income on a calendar year basis. However, eligible individuals may be able to use an alternative method of reporting whereby the fiscal period does not end on December 31. Due to this rule change, individuals reporting self-employment income in 1995 may have reported more than one fiscal year's income (i.e. more than 12 months).

Deductions: As per Canada Revenue Agency, businesses can deduct any reasonable current expense paid or that will have to be paid to earn business income. Personal expenses or expenses incurred to buy capital properties cannot however be claimed. The following business expenses can be deducted: advertising; allowance on eligible capital property; bad debts; business start-up costs; business tax, fees, licences, dues, memberships, and subscriptions; business-use-of-home expenses; capital cost allowance; current or capital expenses; delivery, freight, and express; fuel costs (except for motor vehicles); insurance; interest; legal, accounting, and other professional fees; maintenance and repairs; management and administration fees; meals and entertainment (allowable part only); motor vehicle expenses; office expenses; prepaid expenses; property taxes; rent; salaries, wages, and benefits (including employer's contributions); supplies; telephone and utilities; travel; other expenses. In addition to those businesses expenses, individuals can claim: Employee home relocation loan deductions; stock option and shares deductions; other payments deductions; Limited partnership losses of other years; non-capital losses of other years; net capital losses of other years; capital gains deductions; northern residents deductions and additional deductions on their income tax report.

Dividends: Dividends are, for tax purposes, defined as a share of the profits of a Canadian corporation, which are distributed to its shareholders. Dividends should be reported as income on the T1 Tax Form in the year they are received.

Employment income: Employment income is the sum of total employment income from T4 slips (which includes all paid-employment income, i.e. wages, salaries, and commissions, before deductions) and other employment income (which is comprised of any taxable receipts from employment other than wages, salaries and commissions). For example other employment income includes tips, gratuities, or director's fees that are not reported on a T4 slip, and some other components that have changed through time. Employment income excludes self-employment income.
For the purpose of the evaluation, individuals were considered to have employment income if they declared more than $1000 for that type of income.

Employment insurance benefits: Employment insurance (EI) benefits, other than payments related to the cost of a course or program destined to facilitate re-entry into the labour force, are included in Taxable income. Employment insurance is income paid to individuals experiencing paid-employment income interruptions. There are also Employment insurance benefits for persons who stop working because of sickness, injury, pregnancy, birth, or adoption of a child. If a taxfiler receives EI benefits and his or her net income before adjustments (Line 234, not available on IMDB) is more than the specified limit, the individual must pay back part of these benefits (see Employment insurance repayment (EICRP)). Note that prior to 1996 these benefits were referred to as Unemployment insurance benefits.

Farming income – gross: Gross farming income is the total income from the taxfiler's unincorporated farming operation, before costs and expenses are deducted. If the enterprise is a partnership, each partner reports income from the entire operation.

Until 1994, reporting of self-employment income was on a fiscal year basis and the fiscal year end was the end of the taxation year for reporting this income. Beginning in 1995, most individuals are required to report self-employment income on a calendar year basis. However, eligible individuals may be able to use an alternative method of reporting whereby the fiscal period does not end on December 31. Due to this rule change, individuals reporting self-employment income in 1995 may have reported more than one fiscal year's income (i.e. more than 12 months).

Fishing income – gross: Gross fishing income is the total income from the taxfiler's unincorporated fishing operation, before costs and expenses are deducted. If the enterprise is a partnership, each partner reports income from the entire operation.

Until 1994, reporting of self-employment income was on a fiscal year basis and the fiscal year end was the end of the taxation year for reporting this income. Beginning in 1995, most individuals are required to report self-employment income on a calendar year basis. However, eligible individuals may be able to use an alternative method of reporting whereby the fiscal period does not end on December 31. Due to this rule change, individuals reporting self-employment income in 1995 may have reported more than one fiscal year's income (i.e. more than 12 months).

Interest and investment income: Interest and investment income is an income that is earned from interest and other investments during the tax year. This type of income can be received as a result of Canada Savings Bonds, corporate bonds, trusts, bank or other deposits, mortgages, notes, foreign interest, foreign dividend income and other property.

Investment income: Investment income is composed of capital gains/losses (net), dividends and interest and investment income.
For the purpose of the evaluation, individuals were considered to have investment income if the investment income was above $2 or below -$2.

Professional income – gross: Gross professional income is the total income from the practice of an unincorporated profession (e.g. dentists, accountants, doctors, etc.) before costs and expenses are deducted. If the enterprise is a partnership, each partner reports the income of the entire operation.

Until 1994, reporting of self-employment income was on a fiscal year basis and the fiscal year end was the end of the taxation year for reporting this income. Beginning in 1995, most individuals are required to report self-employment income on a calendar year basis. However, eligible individuals may be able to use an alternative method of reporting whereby the fiscal period does not end on December 31. Due to this rule change, individuals reporting self-employment income in 1995 may have reported more than one fiscal year's income (i.e. more than 12 months).

Self-employment income – gross: Self-employment income (gross) is the sum of all gross income earned from self-employment. Sources of self-employment income are: business, professional, commission, farming, and fishing income.

Until 1994, reporting of self-employment income was on a fiscal year basis and the fiscal year end was the end of the taxation year for reporting this income. Beginning in 1995, most individuals are required to report self-employment income on a calendar year basis. However, eligible individuals may be able to use an alternative method of reporting whereby the fiscal period does not end on December 31. Due to this rule change, individuals reporting self-employment income in 1995 may have reported more than one fiscal year's income (i.e. more than 12 months).
For the purpose of the evaluation, an individual was considered as drawing income from self-employment if he/she declared at least $1,000 on either one of the sources of self-employment (business, professional, commission, farming, or fishing income).

Self-employment income – net: Self-employment income (net) is the sum of all net income earned from self-employment. Sources of self-employment income are: business, professional, commission, farming, and fishing income. Only the taxfiler's share of active self-employment partnership income is included.

Social assistance income: Social assistance is designed to provide income to meet the cost of basic requirements of either a single person or a family when all other financial resources have been exhausted. Line 145 includes social assistance income provided by a provincial or municipal program. If applicable, the spouse with the higher net income (line 236) must report the social assistance payments.

Taxable income: Taxable income is total income (Canada Revenue Agency's definition, TIRC) minus deductions reported on the tax return.

Taxes paid: Taxes paid is the sum of the federal tax, provincial tax and other taxes paid. The federal taxes paid equals to the net federal tax (the amount of income tax that the taxfiler is required to pay the Federal Government of Canada), minus the amount of Quebec abatement (a rebate on federal tax that individuals are given) and the goods and services tax (GST) credit that the taxfiler received. The provincial tax is the amount of income tax that a filer is required to pay to a provincial government after deducting various provincial tax credits. Other taxes include the amounts paid for the Canada Pension Plan and Quebec Pension Plan, Employment Insurance and Social benefits repayment.

Total income: Are included in the total income definition: Total earnings from T4 slips, other employment income, self-employment net income, Old Age Security pension, CPP/QPP benefits, pension and superannuation income, employment insurance benefits, dividend income from T4, interest and investment income, limited partnership income net, rental income net, capital gains/losses calculated, alimony or support income, RRSP income, other income, non-taxable income.

Appendix F: Income Profile

The following table looks at the combination of the different source of income declared by individuals. The individual may draw its income from one source of income only (employment, self-employment or investment income), from the combination of two of the three sources considered (employment and self-employment income, employment and investment income or self-employment and investment income), or from all three sources of income considered (employment, self-employment and investment income). It is also possible that some individuals did not declare receiving any of the three types of income sources considered.

Table F-1: Income profile of PAs per years since admission and immigration class, 1995-2010 admission cohorts

		Years since admission															
		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Entrepreneurs	EI only	8.9	12.3	16	17.1	18.3	19.2	20.4	20.9	21.3	20.5	20.2	18.9	19	19.4	19.2	18.3
	SE only	3.9	7.4	10.3	11.3	11.5	11.6	12.3	12.2	12	11.6	10.6	10.1	9.7	9.7	10	10
	II only	38.8	31.4	21.8	20.8	21.4	21.2	20.3	19.8	19.3	20.4	20.8	22.3	23.1	22.6	22.5	22.3
	EI and SE	0.4	1.2	1.8	2	1.8	1.9	1.8	2	1.7	1.9	1.9	1.7	1.6	1.4	1.4	1.7
	EI and II	10.3	21.2	23.8	22.8	20.5	19.5	18.2	17.9	18.1	18.1	18.2	18.3	17.5	16.9	16.1	15.6
	SE and II	3.6	9.3	11.5	10.5	9	8.3	7.9	7.4	7.3	6.9	7.2	7	6.5	5.8	5.5	6.3
	EI, SE, and II	0.5	1.7	2.1	2	1.9	1.5	1.4	1.3	1.3	1.5	1.4	1.6	1.4	1.5	1.4	1
	No EI, SE or II	33.5	15.5	12.7	13.5	15.6	16.8	17.8	18.5	18.9	19.1	19.6	20	21.2	22.6	24	24.9
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Self-employed	EI only	12.8	14.3	15	15.8	16.9	16.6	17.3	17.8	17.1	15.9	14.9	15.3	16.1	17.1	17	15.6
	SE only	12.2	15.7	17.4	18.5	18	18.3	19	18.2	17.7	17.5	17	15.8	14.8	14	15.1	14.7
	II only	25.6	21.4	18.4	17.4	16.4	16.1	15.8	15.8	16.5	17.9	18.4	19.3	20.6	21.4	20.7	21.1
	EI and SE	1.5	3.2	3.8	3.9	3.7	4	4.1	3.9	3.8	3.6	3.4	3.2	3.5	3.1	3.3	2.8
	EI and II	9.7	14.4	15	14.3	13.9	13.8	12.4	13	13.3	13.2	13.9	13.9	14.4	12.9	13.3	12.8
	SE and II	13.5	16.3	16.4	16.5	17.3	16.4	15.8	16.3	15.8	15.6	15.9	15.5	13.8	13.3	12.9	12.8
	EI, SE, and II	1.9	3.2	3.8	3.7	4	4	4.1	3.8	3.9	4	3.9	4	3.7	3.6	3.3	3.7
	No EI, SE or II	22.8	11.5	10.2	9.8	9.9	10.8	11.6	11.3	11.8	12.4	12.7	13.1	13.2	14.5	14.4	16.5
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Investors	EI only	8.2	7.4	7.3	7.1	7.2	7.6	8.2	9.3	9.4	9.7	9.1	8.5	8.4	9.5	9.2	10.3
	SE only	1.9	2.1	2.2	2.6	2.5	2.6	2.9	3.4	3.5	3.3	3.3	3	3.5	3.5	3.8	4.3
	II only	48.8	51.5	49.8	48.8	49.4	49.5	48.7	47.7	45.6	45	45.8	46.6	46.8	46.3	45	47
	EI and SE	0.1	0.3	0.3	0.3	0.4	0.3	0.4	0.4	0.5	0.3	0.3	0.4	0.4	0.5	0.4	
	EI and II	12.5	21.1	23.3	24.3	23.5	22	20.2	18.7	18.3	18	16.1	15.7	14.7	14.6	13.8	12.8
	SE and II	2.4	5.2	5.9	6.5	6.5	6.8	6.5	6.1	6.2	6	5.9	6.1	5.7	5.4	5	4.3
	EI, SE, and II	0.1	0.8	0.9	0.7	0.9	1.1	0.8	0.8	1	0.7	1	0.7	0.7	0.5	0.4	
	No EI, SE or II	26.1	11.7	10.3	9.6	9.6	10.1	12.3	13.5	15.6	17.2	18.5	19	19.8	19.5	22.3	21.4
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

		Years since admission															
		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
BI Federal	EI only	9.5	11.2	13.3	14.1	15.1	15.7	16.8	17.6	17.6	17	16.5	15.8	16	16.8	16.6	16
	SE only	5	7.5	9.5	10.6	10.7	11	11.8	11.8	11.5	11.3	10.7	10	9.6	9.4	9.8	9.6
	II only	39.3	35.5	29.2	27.6	27.5	27	25.8	25	24.5	25.2	25.6	26.8	27.6	27.4	27	27.5
	EI and SE	0.5	1.3	1.8	2	1.9	2	2	2.1	2	1.9	1.9	1.8	1.8	1.6	1.6	1.7
	EI and II	10.9	19.7	21.7	21.3	19.7	18.8	17.2	16.8	17	16.8	16.6	16.6	16.1	15.4	14.8	14.3
	SE and II	5.2	9.5	11	10.8	10.3	9.9	9.5	9.3	9.2	8.9	9.1	8.9	8.1	7.5	7.1	7.2
	EI, SE, and II	0.7	1.7	2.1	2	2.1	2	1.9	1.8	1.9	1.9	1.9	2	1.8	1.8	1.6	1.3
	No EI, SE or II	28.9	13.5	11.5	11.6	12.7	13.7	15	15.5	16.4	17	17.6	18.1	19	20	21.4	22.4
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
BI Quebec	EI only	10.7	10.3	11.5	12.7	13.8	13.9	14.9	15.2	15.9	16.8	16.6	16.5	15.3	15.4	14.1	13.8
	SE only	2.4	4.5	5.7	6.4	6.4	6.7	7.5	8	8.5	8.4	8.9	9.2	9.3	8.6	8.7	9.2
	II only	39.3	40.1	36.7	34.3	33.7	33.3	32.8	32.2	31.3	31	30.5	30.5	30.3	30.7	26.2	26.2
	EI and SE	0.2	0.6	0.8	0.8	1.1	1.1	1.1	1.2	1.1	1.1	1.4	1.5	1.3	1.5	2	1.5
	EI and II	13.2	23.8	25.3	25.7	24.7	23.2	20.5	18.5	17.8	16.6	16.2	15.2	16	15	16.1	13.8
	SE and II	2.1	5.7	7	7.4	7.3	7.4	6.9	6.9	7.1	7	6.9	6.2	5.5	6	5.4	6.2
	EI, SE, and II	0.2	1.2	1.2	1.3	1.3	1.2	1.2	1.3	1.1	1.3	1.1	1.3	1.8	1.1	1.3	1.5
	No EI, SE or II	32	13.8	11.9	11.4	11.7	13.3	15	16.6	17.2	17.8	18.3	19.6	20.8	21.7	26.2	27.7
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
FSWs	EI only	42.7	44.7	42.7	42.2	42.1	42.2	41.6	41.4	41	40.4	39.1	38.1	37.7	37.7	37.5	37.7
	SE only	2.5	3.4	4.2	4.8	5.3	5.7	6.1	6.5	6.7	6.8	7	7.1	7.1	7.2	7	6.7
	II only	7.9	7	6.2	5.8	5.4	5.1	4.9	4.9	5	5.2	5.7	6.1	6.6	7	7.7	8.1
	EI and SE	1.3	2.9	3.2	3.5	3.8	4	4.1	4.2	4.1	4	4	3.7	3.6	3.4	3.4	3.3
	EI and II	15.5	26	28	28.9	29	28.7	28.7	28.6	28.5	28.7	29.1	29.5	29.2	28.6	28.1	27.6
	SE and II	0.9	2	2.4	2.7	2.9	2.9	3	3.1	3.2	3.4	3.5	3.6	3.6	3.5	3.5	3.7
	EI, SE, and II	0.7	1.9	2.3	2.5	2.6	2.7	2.7	2.7	2.7	2.7	2.8	2.9	2.8	2.6	2.5	2.3
	No EI, SE or II	28.4	12.2	10.9	9.6	8.9	8.8	8.9	8.8	8.8	8.8	8.9	9.1	9.4	9.8	10.3	10.6
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
PNs	EI only	61	58.8	54.7	53.1	51.1	52.2	53.5	54.9	56.4	58.2	63.9	66	76.9	88	85.7	
	SE only	1.5	2.5	3.7	4.5	5.8	6.4	6.8	7.1	8.5	8.5	6.7	7.5	-	-	-	
	II only	4	4.6	4.8	4.8	4.7	4.2	3.5	3.3	2.3	2.1	1.7	-	-	-	-	
	EI and SE	1.7	3	3.4	3.7	4.1	4.2	4.3	5.4	5.5	4.2	5	5.7	-	-	-	
	EI and II	17.9	23.1	24.3	23.9	23.9	23	22.1	20.7	19.5	19	16	15.1	15.4	8	9.5	
	SE and II	1	1.8	2.6	3.2	3.4	3.7	3.6	3.1	2.6	3.2	1.7	1.9	-	-	-	
	EI, SE, and II	1.1	1.9	2.1	2.4	2.3	2.5	2.6	2.5	2.3	1.6	1.7	1.9	-	-	-	
	No EI, SE or II	11.8	4.2	4.4	4.5	4.6	4	3.6	3.1	2.9	3.2	3.4	1.9	7.7	4	4.8	
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	

EI: Employment income
SE: Self-employment income
II: Investment income
Source: IMDB

The following table identifies which of the three income sources considered (employment, self-employment or investment income) accounts the most in the total income received by those sources.

Table F-2: Main type of income of PAs per years since admission and immigration class, 1995-2010 admission cohorts

		Years since admission															
		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Entrepreneurs	Employment income	28.2	38.9	45.5	46.6	46.2	47.2	47.6	48.7	49.5	48.5	48.4	47	46.8	47.9	46.6	45.6
	Self-employment income	11	19.1	24.6	24.6	24.4	23.7	24.2	24	23.7	22.7	22	21.1	20.3	19.7	20.5	21.7
	Investment income	60.8	42	29.9	28.8	29.5	29.1	28.1	27.4	26.8	28.8	29.6	31.9	32.8	32.5	32.9	32.7
Self-employed	Employment income	31.1	35.5	38	37.9	38.5	38.9	38.8	39.5	39.5	38.2	37.1	37.6	38.9	38.5	38.4	39.1
	Self-employment income	30.1	34.6	35.3	37.2	37.1	37.6	37.8	37	36.2	36	35.7	34.1	31.5	31.6	31.9	30.4
	Investment income	38.8	29.9	26.7	24.9	24.4	23.5	23.4	23.5	24.3	25.8	27.1	28.3	29.5	29.9	29.7	30.4
Investors	Employment income	25.7	28.4	30.2	30.6	30	29.6	29.7	30	31.3	31.1	28.9	27.9	27.4	29	28.2	27.7
	Self-employment income	5.1	7.1	7.5	8.2	8.2	8.8	9.2	9.5	10.6	9.7	10.2	10.5	10.4	10.1	10.4	10.6
	Investment income	69.2	64.5	62.3	61.2	61.8	61.6	61	60.5	58.1	59.1	60.9	61.6	62.2	60.9	61.4	61.7
BI Federal	Employment income	28	34.8	39.3	40.1	40	40.5	41.1	42	42.8	42	41.2	40.4	40.6	41.3	40.6	40
	Self-employment income	13.2	18.7	21.9	23	23.1	23.3	24.2	24.1	24	23.4	23.2	22.3	21.2	20.7	21.2	21.1
	Investment income	58.8	46.5	38.8	36.9	36.9	36.2	34.7	33.9	33.2	34.6	35.6	37.3	38.3	37.9	38.2	38.8
BI Quebec	Employment income	33.1	36.4	39	40.7	42	41.2	40.3	40	39.9	40.3	39.6	39.6	39.3	39.2	42.7	38.3
	Self-employment income	6.2	11.4	13.9	15	14.9	15.5	16.5	17.2	18	17.8	18.9	19	18.9	18.7	19.1	21.3
	Investment income	60.7	52.3	47.1	44.3	43	43.4	43.2	42.8	42.1	41.9	41.5	41.4	41.8	42.1	38.2	40.4
FSWs	Employment income	83	84	83.7	83.4	83.2	83.1	82.7	82.3	81.9	81.3	80.3	79.5	78.8	78.4	77.7	77.3
	Self-employment income	5.6	7.3	8.6	9.4	10	10.4	10.9	11.3	11.6	11.9	12.1	12.3	12.3	12.3	12.1	11.9
	Investment income	11.4	8.6	7.8	7.2	6.7	6.4	6.3	6.3	6.5	6.8	7.6	8.1	8.8	9.3	10.2	10.9
PNs	Employment income	91.4	88.5	86.1	84.3	82.6	82.9	83.2	84.1	83.9	84.2	87	90.2	100	100	95.2	
	Self-employment income	3.5	5.7	7.5	9.1	10.6	11.2	11.7	11.4	12.8	13.1	11.3	9.8			4.8	
	Investment income	5.1	5.8	6.4	6.6	6.8	5.9	5.1	4.5	3.4	2.7	1.7					

Source: IMDB